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SENATE REJECTS RESUMPTION OF UK TRADE TIES

HK040426 Hong Kong AFP in English 0421 GMT 4 Sep 86

[Text] Buenos Aires, Sept 4 (AFP) -- Argentina's Senate urged the government Wednesday night not to resume trade links with Britain, broken off with diplomatic relations in the wake of the war the two countries fought in 1982 over the Falkland Islands (Malvinas).

It approved a plea against trading directly with Britain which was introduced by a senator from the ruling Radical Party and backed overwhelmingly by the Justice Party, Argentina's second biggest party.

All trade between the two countries since the war has been conducted through third parties. But Britain, while refusing to discuss the sovereignty of the islands, which Argentina claims, has said it is ready to resume direct economic ties.

Buenos Aires has so far rejected such ties unless there are talks on "all the problems" between the two countries over the Falklands.

MINISTER SOURROUILLE ADDRESSES ECONOMIC ISSUES

PY301859 Buenos Aires Domestic Service in Spanish 0002 GMT 30 Aug 86

[Speech to the nation delivered by Economy Minister Juan Sourrouille on 29 August from the Economy Ministry in Buenos Aires -- recorded]

[Excerpts] Good evening. I am addressing you tonight to discuss something that concerns all of us: The recent increase in the inflation rate.

The last consumer price index for the month of July recorded -- as you all know -- an increase of 6.8 percent. And, everything leads us to believe that the August consumer price index will be even higher. This situation has caused understandable concern among the people, because after many years they are beginning to appreciate the benefits of economic stability.

This increase in the cost of living is bad news for you and also for us. You may even wonder if we are on the verge of experiencing a new inflationary escalade. I am certain that very few people would be happy about that. Through long and bitter experience, we have learned that inflation implies a deterioration of the well-being of all, encourages unproductive speculation, and impedes us from overcoming stagnation or achieving economic growth.

The fact that the Argentine people are not indifferent to rising inflation is a postive political sign. It means we Argentines do not want to return to being a frustrated country, as in the past. This must be justly praised. It is easier to find solutions when there is a willingness to overcome difficulties.

The Economy Ministry has been evaluating the situation calmly. This has always been our work method, because we are aware of our responsibility and of the technical resources available. We have avoided reckless actions and simple answers to complex problems -- such as that of inflation -- which encompasses many factors.

Today, I want to inform you of our evaluation so that together we may consider what has happened and define those measures that must be implemented to counter the current inflationary outbreak.

When we implemented the Austral Plan, we knew the inflation problem in Argentina was not caused by a single factor and that it had to be dealt with on several fronts. This led to the enforcement of the economic stabilization policy that, on the one hand, allowed us to achieve a sharp decrease in price increases and, on the other hand, to overcome the economic recession and to achieve a gradual recovery in production. In order to achieve these results, we mounted a two-pronged attack: one against inertial inflation and another against the imbalance of public finances and the monetary disorder that imbalance entails. [passage omitted]

With firm and clear ideas, the government is now engaged in another round of the foreign debt renegotiations. This is the first time we are going to negotiate without having arrears or pressure. This will permit us to study our requirements carefully and to justify our requests properly. We are no longer discussing an emergency program, but an integrated development plan.

The government has established three principles as the basis for negotiation. Argentina is now prepared to continue its efforts, but these must be shared by other interested parties. The growth of the economy is not negotiable, because it is a need and a right of the Argentine people and the only way out of the debt morass. Argentina will continue to discuss and explain the foreign debt issue at the political level and will continue to emphasize that the normalization of the external sector is linked to the implementation of more just and equitable financial and commercial policies by the creditor countries. The creditor governments will be asked for support through the multiannual refinancing of the matured debts with an official guarantee, and the granting of new credits for the financing of Argentine imports.

The commercial banks will be asked for a triple contribution to our efforts. First, a substantial reduction in the rates they charged above the cost of funds; second, the long-range refinancing of all the matured public foreign debt and government guaranteed foreign debt of the private sector; and third, new loans in accordance with the needs of growth and the reorganization of the productive structure. To do this, it will also be necessary to ask for the support of the World Bank and the IDB.

In all, the actions implemented since the enforcement of the Austral Plan have allowed us to control the performance of the public and external sectors. Of course, this does not mean we should not continue to work to change this short-term control for a more permanent control compatible with long-term equilibrium.

In the public sector, the recovery of the level of investments and the greater control of expenditures through the restructuring of salaries and employment, together with an improvement in the efficiency of companies, are still to be achieved. The privatization draft law, which is ready and will be signed by the president next week, is a measure aimed at redefining the role of the state. [passage omitted]

We must admit, however, that in the last few months the rate of monetary expansion has accelerated beyond the capacity of the monetary demand to absorb it. This occurred at a time when the mechanisms of rediscount and legal reserves proved to be ineffective to transfer funds from one sector to another. This also became a source of the quasi-fiscal deficit in the Central Bank accounts.

Since March, the monetary policy has become passive with regard to the increase in prices and salaries. Therefore, the present inflationary outbreak has not been influenced by the situation of public finances or of foreign accounts. In fact, the more important factors that affected the inflationary outbreak were the problems concerning food supply and the increase in prices and salaries brought on by the loosening of the freeze policy, the automatic adjustment of the exchange rate, and the implementation of a not-too-stringent monetary policy.

Based on this diagnosis, we can learn several things for future economic policy. As we have said before, the fiscal accounts must be tightened up as a necessary precondition, although an insufficient one, to halt inflation. Of course, we must firmly continue this practive in order to achieve a more permanent balance, but this will not be enough to halt the increase in prices.

In the second place, we must also improve the food supply. Price controls are insufficient to hold down the price of food and family-basket items and, therefore, we have to strengthen the supply side. The food supply today is considerably better than that of the same time last year because severely depressed prices of last year have improved considerably. Despite the fact that it has experienced many great difficulties, the Domestic Trade Secretariat has been able to implement an increasingly effective method of importing food so as to assure a continuous supply during critical months of the year. These emergency imports will be reinforced by providing incentives to local suppliers. In fact, our country should be an important exporter in view of its natural ability to produce food. [passage omitted]

Third, what we have learned from the experience of easing the price freeze is that in an economy poorly integrated with foreign markets, allowing the companies and the labor unions to set product prices and salaries tends to exert strong pressure over the stabilization policy. This is why it is necessary for the state to intervene and regulate prices and salaries, and to prevent excesses.

We will impose these regulations in order to encourage responsible behavior among the different sectors. This is why we have decided to respect the agreements signed in the last few weeks between the labor unions and companies.

Even though we are aware of the high cost of the recent biannual agreements and their adjustment clauses, we are willing to respect them for the sake of the common effort by all Argentines to overcome the current emergency.

It is then foreseeable that in the fourth quarter of the year, nominal monthly salary increases of 3 to 4 percent will be granted with variations in keeping with each particular agreement. Given our official commitment, we believe that it is necessary to insist that the different sectors must not fall back into the formal or informal practice of salaries indexation.

As was observed during 1984 and during the first half of 1985, salary indexation tended only to accelerate inflation, since the rest of the economic factors tended to level off rapidly. As a result, real salaries and production levels dropped. This is why, despite the problems that may appear, it is indispensable to comply with the existing salary agreements instead of correcting them through different adjustment formulas.

Regarding wholesale prices, we have decided to adopt an active policy, modifying the criteria we have followed during the first half of the year. During that time prices were treated passively, left to adjust themselves to the increases of consumer prices and costs. We have now decided that administered industrial prices will be allowed to increase by 3 percent in September and by smaller percentages during the 4th quarter of the year until the rate of increase reaches 2 percent in December.

Identical criteria will be applied to the public companies' tariffs, save for a few cases. Regarding the exchange rate, after a 3 percent adjustment, we will continue with our policy of implementing small and periodic increases in order to maintain our competitiveness on the international market.

Finally, the Central Bank has adopted measures to firmly control the money base. This will slow down the internally generated growth of money supply considerably. Considering the foreseen reduction of the inflation rate, we have decided to reduce regulated bank interest rates on deposits to 4.5 percent monthly and the bank lending interest rates to 6 percent per month. These regulated interest rates will be continually adjusted in keeping with changes within the free financial market. In the context of a restricted monetary expansion, free interest rates should decline as the economic agents gain confidence in the implementation of the announced policies.

These policies are generally aimed at gaining quick control over cost increases and the aggregate demand to give a new and firm impetus to the struggle we are conducting against inflation. The 6.8 percent increase in the consumer price index last July and the greater increases that will probably occur at the end of this month are a warning for everyone. The economic policy decisions we have made are aimed at defending the efforts made and consolidating stability and growth. Our goal is to gradually overcome the emergenices with anti-imflationary measures and at the same time give impetus to the new direction of the economic process.

I have pointed out in this speech that many of the current problems are the result of the poor integration of our economy with the world. Our main link abroad -- the agricultural sector -- is suffering the consequences of the commercial war unleashed in the northern hemisphere. The government has tried to support farmers and will continue to do so, but the government believes it is also necessary to change the nature of our closed economy, because this has negative effects on internal competitiveness and export capacity.

The measures recently implemented by the Foreign Industry and Trade Secretariat are aimed at that necessary change. The industrial exports drive recently approved is the beginning of a structural modernization reform for Argentine industry, and higher productivity, and effective integration with international markets. By stimulating the competitiveness of national production at international prices, we are making a significant contribution toward solving the inflation problem. [passage omitted]

RELATIONS WITH ARGENTINA STRAINED OVER GAS SALES

PY031727 La Paz La Red Panamericana in Spanish 1130 GMT 2 Sep 86

[Text] According to the latest issue of ACTUALIDAD BOLIVIANA CONFIDENTIAL, which is directed by Hugo Gonzalez Rioja, the traditionally good Bolivian-Argentine relations are about to break, and this would have a negative impact on our country.

This magazine notes the negotiations on the new price of Bolivian gas sold to Argentina must start in November, and that Argentina plans to lower the present price -- which is based on political reasoning -- from $3.70 per barrel to $2.20 per barrel. In view of this, Bolivia will lose about $100 million.

The situation has been brought about because the Bolivian Government authorities have not yet made a decision on the application of the present Argentina payment -- which totals $200 million --- for the purchase of Argentina merchandise and for Argentine projects in Bolivia. Thus far, Bolivia has received $130 million in cash.

The two countries reportedly are experiencing tense relations because the Argentine ambassador to Bolivia, Gaspar Tanoada, has departed Bolivia without previously holding talks with the government in view of the apathy shown by the Bolivian ministers in charge of the sector. It is taken for granted that the Argentine ambassador will return in view of the recent statement by the Bolivian finance minister, who reportedly said Bolivia will not open any letters of credit so as not to increase its foreign debt.

It the problem of Argentine exports is not solved, the Argentine Government will undertake legal proceedings to nullify the gas agreements.

COURT ORDERS RELEASE OF COCHABAMBA RECTOR

PY040202 La Paz La Red Panamericana in Spanish 0000 GMT 4 Sep 86

[Excerpt] At the request of the executive board of the Bolivian University, the Cochabamba District Court has granted a writ of habeas corpus in favor of Jorge Trigo, rector of the Greater University of San Simon. Upon granting the writ of habeas corpus, the court has ordered that rector Trigo be released immediately. [passage omitted]

NAVY CARRIES OUT OWN NUCLEAR RESEARCH PROGRAM

PY270316 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Aug 86 p 4

[Text] The Brazilian Armed Forces are carrying out a nuclear research program which parallels the government program, based on a 1975 agreement with the FRG. By 1994, the Brazilian Navy expects to test the prototype of a small nuclear reactor called "critical reactor" [reator critico], which will serve as a model for a "compact reactor" that will be the propelling unit of the first Brazilian nuclear submarine. This submarine is expected to be built by the second half of the 1990's.

Part of the machinery to build and operate this test reactor is being designed in the Nuclear Engineering Institute [IEN], linked to the National Commission for Nuclear Energy [NEN], and located on the campus of the Rio de Janeiro Federal University [UFR] on Fundao Island, north of Rio de Janeiro. The IEN is cooperating with the so-called "instrumentation stage" of the project. The hull of the first Brazilian nuclear submarine is being studied by the Navy and the Nuclebras heavy equipment corporation, [NUCLEP], a Nuclebras subsidiary in charge of the design and building of the heavy components of the Brazilian nuclear reactors.

The Brazilian Aeronautics Ministry is also studying the possibility of building a more sophisticated reactor known as a "fast breeder" [in English] or a "regenerator reactor" [reator regenerador], which continues working after consuming its initial fuel. The Aeronautics Ministry projects are being developed at the Advanced Studies Institute [IEAV] of the Aerospace Technology Center [CTA] in Sao Jose dos Campos [97 km northwest of Sao Paulo]. The Navy projects are being developed at the Institute for Nuclear and Energy Reserach [IPEN], also linked to the CNEN, and at the IEN.

Both the Navy and Aeronautics Ministers are carrying out research to enrich uranium--that is, to separate uranium isotopes, U-235 and U-238, (number of protons ad neutrons of the atomic nucleus) to produce plutonium--which is a necessary element for nuclear fission. The Navy and the Aeronautics Ministers concentrated on the uranium-enrichment process through the use of laser beams, which "excite" and modify the original structure of natural uranium. A nuclear engineer, who served on the commission created by President Sarney to re-evaluate the Brazilian nuclear program, became familiar with the uranium-enrichment research carried out at the IEAV by the Brazilian Air Force [FAB].

FOLHA DE SAO PAULO also learned that the FAB is working on plans for a linear accelerator of particles [acelerador linear de particulas] to establish measures for nuclear parameters. For at least 5 years, all this research has been headed by Brigadier General Hugo de Oliveira Piva, former IEAV director. Meanwhile, the nuclear research of the Army Technological Center [CETEX], is considerably behind schedule.

The test reactor developed by the Navy is the result of 4 years of research which began after a team from the Navy Research Center (formerly the Navy Research Institute, which works on Governador Island in Rio De Janeiro) went to work at the Nuclear Research Institute. The project has already been approved by the CNEN, and the security of all the works to develop the propelling system of the first Brazilian nuclear submarine is bring supervised by the Naval Intelligence Center [Cenimar], headquartered in Brasilia.

The reactor -- which is actually a prototype -- must be tested on land in 8 years. It will serve as a model for the so-called "compact reactor," the size of which will depend on the size of the nuclear submarine. Initial calculations estimate that the submarine will be 70 meters long and will deplace 2,500 tons of water at surface and 2,700 tons underwater. It will be a small-sized nuclear submarine, comparable to the smallest in its category built in France.

It is thought that the "compact reactor" will be aided by diesel motors or gas turbines, like the system used by the same sort of vessels in the French and Soviet Navies. The so-called conventional motors give the nuclear submarine's crew a greater degree of safety, mainly during submersion and if there is a problem with the reactor.

The Navy intends to design its nuclear submarine based on the building experience of a conventional German submarine: the IKL-209-1400. The first of these ships is being built in the FRG, and its construction is being followed by a group of Brazilian Naval engineers. Three other units will be produced in the Rio de Janeiro Navy shipyard.

FOLHA DE SAO PAULO found out the Brazilian Navy is not satisfied with the German IKL construction because it is not respecting the construction technology of the IKL-209-1400, to the extent expected by the former government Naval authorities, who signed the contract with the Germans. This observation was raised to the FRG Defense Minister Manfred Worner, (an airplane pilot) who visited Rio de Janeiro, Brasilia, and Sao Paulo about 3 months ago, but no positive results were obtained. Worner maintained that his government could not intervene in a contract between Brazil and a private German company.

The IKL-209-1400 was chosen after the Navy examined with great interest the Italian submarine "Nazario Sauro," which is heavier than the German model. Besides, the Italians refused to transfer their vessel's building technology to the extent the Brazilians desired.

The Brazilian nuclear submarine will carry completely conventional and reduced weaponry: only six torpedo tubes (instead of the usual eight on a conventional submarine). Its speed will reach between 25 and 30 knots, according to the same initial calculations.

The building of a nuclear submarine will lead Brazil to other types of research. For example, the type of steel to be used in the IKL-209-1400 will be HY-80 steel (a special type of steel for the hull designed to resist great pressure underwater). Certainly, Brazil will be ready to begin construction on a nuclear submarine by the end of the next decade.

The nuclear researchers of the Brazilian Armed Forces together with the scientific institutions constitute a nuclear program parallel to the one defined 11 years ago when Brazil and the FRG signed the so-called nuclear agreement. A FAB colonel who works in this field and who was consulted by FOLHA DE SAO PAULO, preferred to call the program the "national nuclear program."

The commission created last September by President Sarney to re-evaluate the Brazilian nuclear program, did not bother to investigate whether or not the Armed Forces could be researching nuclear technology to apply to its war machines. What is more, the Brazilian Society of Physics does not believe the Navy nor Aeronautics ministries may already possess qualified teams of experts to design sophisticated reactors, such as the "fast breeder" type.

FOLHA DE SAO PAULO also found out that CTA experts are researching on the use of thorium, which is a mineral found widely in Brazil and India, as fuel for a future nuclear reactor.

BRIEFS

PARAGUAYAN AMBASSADOR PRESENTS CREDENTIALS -- Salvador Ruben Paredes, the newly appointed Paraguayan Ambassador to Brazil, on 19 August presented his credentials to President Jose Sarney. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 19 Aug 86 PY]

NEW SUNAB REGIONAL DELEGATE -- Finance Minister Dilson Funaro yesterday appointed Marilena Lazzarini as the new Sao Paulo regional delegate to the National Superintendency of Supplies [SUNAB]. She will replace Abilio Nogueira Duarte, who has been dismissed for irregularities in the administration of the regional SUNAB department. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Aug 86 PY]

TRADE BALANCE SURPLUS -- The Foreign Trade Department [CACEX] reported yesterday that there was a surplus of $1.13 billion in the Brazilian trade balance during the month of July. Exports totaled $2.209 billion and imports $1.196 billion. The CACEX also reported that Brazil had a surplus of $7.166 billion in international purchases and sales during the first 7 months of 1986, and that the surplus over the last 12 months was $12.971 billion. [Excerpts] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Aug 86 PY]

CUBAN CARDIOLOGISTS VISIT -- The Cuban Health Ministry, which is interested in exchanging information on cardiovascular and heart surgery, as well as in purchasing medical equipment for that sector, has sent two surgeons to the Sao Paulo Heart Institute. They are Noel Gonzales Jimenez, 57, who has performed 12 heart transplants in Cuba, and Andres Savio, an expert in children's heart surgery. They will spend 2 weeks in Sao Paulo, and 4 days in Rio, where they will visit the hospital of the Rio de Janeiro Federal University. [Summary] [Sao Paulo FOLHA DE SAO PAULO IN Portuguese 19 Aug 86 p 13 PY]

POLICE BUILDUP, OPPOSITION SUPPORT BEFORE STRIKE

PY021725 Paris AFP in Spanish 1229 GMT 2 Sep 86

[Text] Santiago, 2 Sep (AFP) -- Two days before the national stoppage called by political sectors opposed to the government of General Augusto Pinochet, a strong police and military vigilance can be observed on the main streets and strategic places of Santiago.

Graffiti and pamphlets call on Chileans to join demonstrations scheduled for next Thursday -- 4 September -- by the many unions and students grouped within the National Civic Assembly [ANC] whose leaders were released from jail 2 weeks ago.

The opposition leaders were arrested by order of the military government for their responsibility in a stoppage on 2 and 3 July, which caused the deaths of eight persons.

ANC President Juan Luis Gonzalez explained that the stoppage on Thursday will mark aday of meditation. He said that according to the call, each organization will adopt its own decisions for that day, and added that the spirit of peace, which has characterized the real democratic behavior, will prevail.

The stoppage was initially proposed by the leftist MDP "(Popular Democratic Movement] which represents the proscribed Communist Party, a socialist sector, and the MIR [Movement of the Revolutionary Left], with support from the clandestine movement FPMR [Manuel Rodriguez Patriotic Front] which promotes all forms of struggle.

On Friday, 29 August, the Chrestina Democratic Party -- the main force opposed to the government of Gen Pinochet -- joined the call for a stoppage and invited its members to participate in a national stoppage as part of the peaceful actions to demand the reestablishment of democracy.

Carabineros Director General Rodolfo Stange, who is also a member of the Goverment Junta, has warned the police will take necessary measures to safeguard public order and the tranquility of the citizens. He added: We will take the necessary precautions to prevent violations of citizens' rights by the mistaken intentions of some hotheaded people.

On Thursday, 28 August, the Organization of Women for Life -- which includes different women's movements -- also joined the national stoppage and proposed that a day of decontamination be celebrated on that day throughout Chile.

In Chile, 4 September had been the day when the people traditionally elected the president of the Republic every 6 years until Gen Pinochet overthrew the socialist regime of the late President Salvador Allende.

The national day of stoppage proposed by the opposition will be held almost 1 month after the government announced the discovery of a large arsenal with more than 50 tons of weapons with an estimated value of about $100 million.

According to the government report, the weapons were brought ashore by Cuban and Soviet fishing boats and were earmarked for subversive groups that promote armed struggle against the military regime.

The situation has disclosed some doubts about the authenticity of the discovery.

The national opposition stoppage will precede the great rally of adherence and support for Gen Pinochet that will be held on Tuesday, 9 September, at the monument to the fatherland, in downtown Santiago, to commemorate the military regime's 13 years in power. This rally is being publicized with full-page advertisements in the country's newspapers and on Chilean television and radio stations.

In this regard, ANC President Juan Luis Gonzalez announced that the ANC will hold a public rally on 25 September in the same place and under the same conditions granted to the followers of Gen Pinochet. He said that this decision has been adopted because the conditions set forth in the Chile Demands document have not been met, and because the process of democratic recovery cannot be delayed. He said the rally will be held in the same place to compare the support of those who want democracy and those who prefer the current regime. Gonzalez added that he had no doubt that the authorization for this rally will be granted.

PDC Denies Supporting Stoppage

PY032241 Paris AFP in Spanish 2012 GMT 3 Sep 86

[Text] Santiago, 3 Sep (AFP) -- The Christian Democratic Party [PDC], the main opposition party against the government of General Augusto Pinochet, today denied that it supports the 4 September national stoppage called by leftist forces.

In an official statement, the PDC leaders said the leaflets which were attributed to the PDC and appeared recently in Santiago urging the people to join the general stoppage are false. Those leaflets were not released by the PDC, the statement says.

The new PDC statement seems to reflect a change regarding the position adopted on 29 August, when the PDC national council called on all opposition groups to join the 4 September demonstrations by discontinuing their regular activities.

The national stoppage was called by the leftist groups which make up the Popular Democratic Movement (MDP). Yet this call was not endorsed by the National Civic Assembly, which plans to hold a drive for democracy on 4 September.

Leaflets Encourage Protest

PY031538 Madrid EFE in Spanish 0305 GMT 3 Sep 86

[Text] The Christian Democratic Party [PDC] today reported it has received information that "the government and the extreme left are reportedly preparing acts of violence to justify their respective strategies."

The PDC has issued this warning just as leaflets are being distributed in Santiago calling upon Chileans to participate in acts of protest and disobedience on 4 September. On that day Chileans will commemorate the day on which, every 6 years, they used to vote to elect the president of the republic, a situation that changed in 1973 with the military coup that brought General Augusto Pinochet to power.

The leaflets urge Chileans not to send their children to school, not to carry out any banking activities, but to demonstrate on the streets at 1200, and to return to their homes at 1400 on that day.

In their public statement, the Christian Democrats say that a climate "of fear and violence has paralyzed the country, while the overwhelming majority of the Chileans are against violence."

Assessing the situation in the country the day before the announced Day For Democracy on 4 September, the Chilean PDC condemns what it calls the violence "of the government" and of the "extreme left." It states: "The regime maintains its abusive legislation, increases its aggressive attitude and its attacks on political parties, individuals, and even the church. This violence has caused many deaths, and the murderers remain unpunished."

No Relay of 'Instructions'

PY040445 Buenos Aires TELAM in Spanish 0359 GMT 4 Sep 86

[Excerpt] Santiago, 3 Sep (TELAM-ANSA) -- The Chilean radio stations that are well-known for maintaining an attitude of independence or opposition toward the Chilean military government have been warned they cannot broadcast any instructions concerning the Drive for Democracy that the political opposition has called for tomorrow. The radio stations were reminded that the regulations prohibiting the dissemination of information about unauthorized rallies and meetings like the ones scheduled for tomorrow, are still in effect. [passage omitted]

FPMR INTERRUPTS RADIO BROADCAST, READS STATEMENT

PY040121 Paris AFP in Spanish 0101 GMT 4 Sep 86

[Text] Santiago, 3 Sep (AFPO) -- Unknown individuals tonight interrupted the broadcast of Radio Carrera in Santiago for 55 seconds and broadcast a proclamation against General Augusto Pinochet's regime. The incident took place just a few hours before a nationwide strike called by the opposition.

The persons in question claimed to belong to the clandestine Manuel Rodriguez Patriotic Front (FPMR) and urged the people to join tomorrow's drive, according to Radio Carrera personnel who were unable to prevent the proclamation from being aired.

A vehicle which at a given time parked near the transmitter of the radio station and with a powerful transmitter and a long-range antenna interrupted Radio Carrera's normal programming. The proclamation which ended with the national anthem was aired for 55 seconds until the technicians of the radio station managed to control the situation.

The left-wing FPMR is advocating rebellion against General Pinochet's military government and has claimed credit for other proclamations that have been aired by interrupting the broadcasts of other stations.

140 STUDENTS ARRESTED IN SANTIAGO, VALPARAISO

PY040301 Paris AFP in Spanish 0202 GMT 4 Sep 86

[Text] Santiago, 3 Sep (AFP) -- Approximately 140 university students were arrested today by Carabineros during antigovernment demonstrations staged in Santiago and Valparaiso a few hours before the beginning of a national stoppage called by the opposition to General Augusto Pinochet's military government.

According to student sources, the most serious incidents occurred at the Playa Ancha University in Valparaiso, 140 km west of Santiago, where 90 youths were arrested by policemen after violent clashes.

Using tear gas, truncheons, and water cannons, the police dispersed the students, who retaliated by throwing stones and other objects.

Another group of students occupied the Van Buren Hospital but left when police forces arrived. No one was arrested.

Students from the Catholic University of Valparaiso said six fellow students were detained when they were erecting barricades, painting graffiti on walls, and detouring traffic. Carabineros dispersed the demonstration with water cannons and tear gas.

Policemen also entered the Metropolitan University and arrested 38 students after hurling many tear gas canisters at them, according to the students. Andrea Palma, chairwoman of the student council, said the police stormed the university when the students were putting on a cultural event inside the school. Later, we staged a march around the area, but we were attacked by the police, Palma said.

According to AFP correspondents, the students erected barricades, made fires, and blocked traffic on one of the main avenues of the Chilean capital.

Six students were also arrested at the Northern Medical School of the University of Chile as they shouted antigovernment slogans.

Carabineros Director Rodolfo Stange, a member of the Government Junta, has warned that the Chilean Police will take every measure needed to safeguard public order and tranquillity during the stoppage. Stange added: We will be prepared to protect the rights of citizens who may be affected by the mistaken intentions of some misguided people.

SOCIAL-DEMOCRAT PROCLAIMS PRESIDENTIAL PLANS

PY031931 Paris AFP in Spanish 1410 GMT 2 Sep 86

[Text] La Paz, 2 Sep (AFP) -- Chilean Social Democratic Party [PSD] leader Mario Osses Quiroz, formerly an adviser to President Salvador Allende -- in comments to AFP today in La Paz -- announced his candidacy for the Chilean presidency.

Osses, who lived in exile for several years in Brazil and now is in Bolivia, said he will officially launch his candidacy as soon as the Chilean people manage to resume the democratic process interrupted by the 1973 coup staged by General Augusto Pinochet.

He pointed out that the political sectors supporting him are economic and ideologically independent of the great world powers. He also said his candidacy represents a move toward a common agreement in search of positive action.

Osses described Christian Democratic leader Gabriel Valdez' position of reportedly agreeing that another general could succeed Pinochet with the pretext that the country needs a transition as unacceptable, because it would consent to the continuation of the military regime.

FORMER EXILED DOCTOR RELEASED ON BAIL

PY040204 Santiago Radio Chilena in Spanish 2300 GMT 3 Sep 86

[Relay from Radio Talcahuano of Talcahuano]

[Excerpts] Attorneys in Concepcion have described the release on bail granted today to Edgardo Condeza Vaccaro by the First Appellate Court as a major step toward ending exile. [passage omitted]

Dr Condeza regained his freedom at approximately 1430 today and is now staying in his residence under the protection of the court. [passage omitted]

The case of Dr Condeza aroused interest nationwide 3 months ago when he returned from exile in Argentina through a mountain pass in Malleco Province and turned himself in to the Appellate Court. [passage omitted]

ARMY LAUNCHES MASSIVE ANTIGUERRILLA OFFENSIVE

PA290221 Hamburg DPA in Spanish 2257 GMT 28 Aug 86

[Text] Bogota, 28 Aug (DPA) -- Yesterday, the Army launched the most impressive military offensive of the last few years. About 10,000 men are participating, in order to repel guerrilla actions all over the country, but mainly in Cauca, Valle, and Norte de Santander Departments, where 103 people have died in the last few days, among whom were subversive elements, police, and military men.

Furthermore, Army Commander in Chief General Oscar Botero admitted today that logical way to stop the present violence in the country would be a "military-political solution." The antiguerrilla campaign was agreed upon after a series of meetings of the military high command, the military intelligence board, the special operations command, and the logistical support section of the National Defense Ministry, in which the guerrilla upsurge was discussed in depth.

The main military concern is the reactiveation of subversion in the southeastern Caula Department, where the greast block of guerrilla groups are, including the pro-Indian commando "Quintin Lame," the M-19, the Army of National Lberation, the Popular Liberation Army, the "Free Fatherland" movement, the Revolutionary Workers Party, and the "Ricardo Franco Front."

On Tuesday, Army Commander in Chief Gen Oscar Botero met with the Army chiefs to come up with a military strategy in Cauca and Valle Departments, where it was decided that the operation would be backed by troops transported by air and war commandos (paratroopers assault units, assault groups, etc.)

A spokesman for the Armed Forces told the DPA German press agency today that in the future it is possible that the Army will send heads of administrative departments to open war zones in order to give support to the brigade commanders and the divisions that operate throughout the country.

Military strategy calls for blockading the different roads of Cauca, Valle, and Huila Departments to prevent the guerrillas from resupplying people and war equipment in an effort to counter the military offensive. "Red zones" were designed, which forbid private aircroft from overflying military objectives lower than 2,000 feet, as gound units are being supported at present by air-transported commandos from the Tolemaida and Apiay military bases.

PARAMILITARY GROUP BLAMED FOR UP SENATOR'S DEATH

PA030447 Paris AFP in Spanish 031 GMT 3 Sep 86

[Text] Bogota, 2 Sep (AFP) -- A self-styled paramilitary group "The Stings" [Los Aguijones] was held responsible for the murder of Communist Senator Pedro Nel Jimenez, of the Patriotic Union [UP], which took place yesterday in Villavicencio, 120 km southeast of Bogota.

The senator's father said tonight that his son had been threatened 20 days ago by a clandestine organization called "The Stings," which opeates in southeastern Meta Province, because he was prepared to denounce several people for mismanaging huge amounts of public funds.

Humberto Oviedo, the victim's delegate in the legislative body, corroborated the remarks by the father of Jimenez. He said that the group was of a paramilitary nature. Oviedo said that The Stings killed Jimenez because he was defending several political prisoners and knew the names of people linked to mismanagement of government funds.

Moreover, UP deputies, who blame paramilitary groups for crimes against 14 of its members, summoned the ministers of government and justice and the attorney general to appear before the Chamber of Representatives on 16 September. The debate will center on the activities by these groups and the so-called dirty war which the attorney general has insistently denounced.

'Red Berets' on Posada Murder

PA040223 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 3 Sep 86

[Text] Bucaramanga -- A strange group, the self-styled Red Berts, today claimed responsibility for the murder of Leonardo Posada, Patriotic Unity [UP] representative. Posada was killed in Barrancabermeja. In a telephone call to this radio station's office in Bucaramanga, the group also threatened these UP political leaders in Santander: Hernan Motta, delegate to the chamber of representatives; Carlos Rodriguez Geli, deputy; Agustin Figueroa, municipal councilman, and union leader Rodrigo Cordoba. They were also given an 8-day deadline to leave Bucaramanga and Santander.

Authorities report they have never before heard of this group.

Judges To Investigate

PA022303 Bogota Emisoras Caracol Network in Spanish 1215 GMT 2 Sep 86

[Report by Carlos Ruiz]

[Text] Patriotic Union [UP] leaders and the government will agree today on the creation of a special jury of civilian judges that will investigate the killing of UP party members.

Justice Minister Eduardo Suescun Monroy will meet with former candidate and UP coordinator Jaime Pardo Leal, with President Barco's approval, to agree on terms of reference for the special judges. Mr Pardo Leal said that all human and material state resources will be made available for clearing up the murders of the UP leaders.

According to Suesun Monroy, President Barco ratified the decisions adopted at the last session of the National Security Council directed at fully clarifying the facts, and offered all he could for the protection of the political activities of the UP.

The government will give full support, aid, and guarantees to the special criminal instruction judgers who will assume the investigations to find and punish, in an exemplary manner, those responsible, said Minister Cepeda Ulloa.

The UP leaders, in addition to requesting the special judicial tribunal, reiterated that they will need safe-conduct passes for their leaders to carry arms for their personal protection.

The political leaders said that they found President Barco in a very receptive mood, which will permit them to trust that he will adopt concrete measures to put an end to the criminal escalation against the UP.

FARC and the UP said that they will not be carried away by those who want them to respond with violence and promised to keep the truce with the government, although they started preparing for a national civic strike -- of a peaceful nature, according to them -- to protest the violence.

FARC and UP leaders maintain that the crimes against their political spokesmen are part of a campaign that seeks a bloodbath in the country. UP President Braulio Herrara said that these acts seek a desperate FARC reaction. Herrara said we are not going to give up the peace flag, but it is necessary that Colombians mobilize themselves, facing the country's enemies peacefully.

FARC ideologist Jacobo Arenas said from La Uribe camp that that organization had no reason to break the truce, and warned that now it was necessary for Colombians who want peace to act decisively to detain those who want to whip up a great carnage in the country. Arenas described as bandits, small murderes, and provocateurs the killers of the two UP parliamentarians.

Cayetardo Leal and Gilberto Vieira, who are part of UP'S leadership, said that they will also continue the political struggle as they are not afraid that their enemies will carry out their sinister plans against them.

According to Suescun Monroy, President Barco thanked the UP leaders for their commitments to political, economic, and social changes, as well as for their reconciliation efforts that the new administration is going to put into effect.

FARC LEADER PRAISES NEW DEFENSE MINISTER

PA311308 Madrid EFE in Spanish 0245 GMT 31 Aug 86

[Text] Bucaramanga (Colombia), 30 Aug (EFE) -- Ricardo Medina, alias "Camilo," commander of the 20th FARC Front, has described the new defense minister, General Rafael Samudio Molina, by saying that "a substantial" and positive "change" has taken place in that ministry.

At a news conference held in the mountains of Santander Department, in the northeast, "Camilo" praised the new minister, a former Army general commander. "A new stage" is now opening "because the defense minister's personal attributes and military background indicate that things will be different," "Camilo" told a group of newsmen.

The guerrilla leader was pleased that Samudio Molina met with the leaders of the Patriotic Union (UP), FARC'S political party, which in the last elections won several seats in the national congress as well as in a number of departmental assemblies and municipal councils.

According to the commander of the 20th FARC Front, "the peace process begun during Belisario Betancur's previous administration will be consolidated" with the new defense minister.

He also criticized the performance of the previous defense minister, former General Miguel Vega Uribe. "Vega Uribe never agreed with Betancur's peace policies," the rebel chief said.

At the same clandestine meeting with the press, "Camilo" called for the support of "all my countrymen so that the blood of peasant guerrilla members and peasant military men does not continue being shed in our homeland."

In conclusion, he asked the organizations that comprise the National Guerrila Coordinating Board (CNG) "to cease their war effort and join the efforts to achieve peace."

The CNG is a rebel alliance comprised among others by the M-19, the Popular Liberation Army (EPL), the Army of National Liberation (ELN), the Indian Quintin Lame Group, and other organizations currently fighting in various parts the country.

BRIEFS

AMBASSADOR TO VENEZUELA -- Liberal parliament member Eduardo Mestre Sarmiento has been appointed Colombian ambassador to Venezuela, it was reported today in Bogota. Mestre was mentioned as one of the most likely men to be appointed to President Virgilio Barco Vargas' cabinet, but the designation did not take place. The lawmaker was one of the coordinators of the campaign that took Barco to the presidency. [Text] [Hamburg DPA in Spanish 1807 GMT 29 Aug 86 PA]

AVIANCA DRUG OFFICER KILLED -- Carlos Arturo Luna Rojas, Avianca's cargo superintendent, was killed in a Bogota street at 1700 this afternoon. He was in charge of the control and fight againt drug trafficking. He also in charge of flower shipments for Avianca. [Summary] [Bogota Television Service in Spanish 0000 GMT 23 Sep 86 PA]

FERNANDEZ 'SAD' ABOUT REPORTS ON STROESSNER

PY031725 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1600 GMT 3 Sep 86

[Report on President Alfredo Stroessner's official morning activities at Government House on 3 September by Government House correspondent Miguel Angel Rodriguez from the Channel 9 studios -- live]

[Text] Good afternoon. President Alfredo Stroessner this morning met for a few minutes with a delegation of ROC businessmen visiting our country. The delegation, which is led by Augustine C.T. Wu, director general of the ROC's Economy Ministry, also included Captain General Cheng Wang, ROC ambassador to Paraguay.

The delegation's spokesman gave President Stroessner a personal present from ROC President Chiang Ching-kuo and a present from the delegation with affection and sympathy for the president, who outlined the most important aspects of the long friendship existing between the two countries that is based on a fluid relationship.

The president also granted audiences to Ambassador Juan Felix Morales; Engineer Enzo Debernardi, president of ANDE [National Power Administration] and Paraguayan Director General of the Itaipu Binational Enterprise; General Alcibiades Britez Borges, chief of police; and Mr Emilio Forestieri.

During the morning, Anibal Fernandez, the president's information and culture under secretary, told our newscast that he was very sad about the spiteful and absurd report by a certain sector of the international media that disseminated a report originating in Miami on an alleged illness and even the death of President Stroessner. Fernandez added that it is not worthwhile to deny such spiteful information.

This is all we have to report today from Government House.

[Asuncion Red Privada de Television in Spanish at 1600 GMT on 3 September, during its daily noon newscast, reported from Government House on the activities of President Alfredo Stroessner. A film clip shows Channels 13's Government House correspondent in the gardens in front of Government House reading his report of the president's activities. The clip also ccntains a shot showing President Stroessner in his office talking with a ROC businessmen's delegation. The clip concludes with a shot of the correspondent finishing his report. The report on the alleged death of President Stroessner was not mentioned during this newscast.]

PLR Head Meets With Stroessner

PY032356 Asuncion ULTIMA HORA in Spanish 3 Sep 86 p 11

[Text] "I first want to say that the meeting with the nation's president was held at the request of the Radical Liberal Party (PLR), which participates in Congress and city councils. Out of concern for the future of the country, I talked with the president and I think that we had an excellent conversation, since we both are Paraguayans, nationalists, and want progress for the country. Of course, I will report this conversation to my party's political committee, which will later issue a communique on this important meeting for the country's present and future."

This statement was made this morning by the head of the PLR, Emilio Forestieri, after a meeting he held with General Alfredo Stroessner. Although Forestieri did not want to reveal details of the meeting, most likely they talked about the return of Domingo Laino.

As for any proposal that the PLR had presented to the government, Forestieri said: "I did not make any proposal. The party availed itself of a constitutional provision. We came to make a petition to the president in our capacity as head of a party that participated in the functions of government, in the legislative branch, and on the city councils where the party holds elected positions. We believe politics must be conducted through dialogue and dissent among civilized people. We believe that since 1967, the PLR has worked patriotically to build a more just society through a democratic process. This political process began with the Constituent Assembly in 1967, and we have been committed to the country's future since then."

When asked about the existence of any difficulty affecting Liberalism, Forestieri interrupted to say: "We will issue a communique later to give explanations. It has to be understood that dialogue will be the way to conduct the country's affairs as civilized people, who love their country, peace and democracy. I have nothing else to say. I will say what I have to say after I talk with the political committee of the PLR, which I will convene tonight. Then, a communique will be released."

[No PLR leader has met with Stroessner since 1976 when he and then president of the PLR, Carlos Alberto Gonzalez, met.]

ARCHBISHOP REVEALS ANTICHURCH CAMPAIGN

PY302239 Paris AFP in Spanish 2313 GMT 29 Aug 86

[Text] Asuncion, 29 Aug (AFP) -- Asuncion Archbishop Ismael Rolon today reasserted the legitimacy of the church's position in promoting and defending the truth, justice, and human rights in Paraguay -- in view of campaign -- sponsored by high government circles, to discredit him.

In a message addressed to the religious community, Msgr Rolon, who is also president of the Paraguayan Episcopal Conference [CEP], pointed out the persistent attacks and charges made against the bishops and priests who were called enemies of the government. In reply to the lies against the church, Msgr Ismael Rolon reiterated that the church leaders carry out their activities truthfully and honestly.

He argued that the church is not meddling in politics, when denouncing human rights violations, and he based his opinions on Pope John Paul II's statements.

Msgr Rolon recommended that all Catholics quote the statements of the Pope to explain and justify the church's intervention in the human problems of individuals, institutions, and peoples. At their roots, these problems are really problems of morales, justice, and truth, things which affect eternal salvation, and that the church must defend and promote throughout the world.

BRIEFS

RELIGIOUS GROUP BUYS RADIO -- The religious group Tents of Salvation has purchased Radio Neuvo Mundo of San Lorenzo, which is now under the license of an engineer named Acevedo who has travelled to the United States to buy more radio equipment. [Summary] [Asuncion LA TARDE in Spanish 9 Aug 86 p 16 PY]

NEW FREQUENCY MODULATION STATION -- The government has granted Nelso Ramon Castro authorization to install a frequency modulation radio station in Fernando de la Mora. [Summary] [Asuncion PATRIA in Spanish 12 Aug 86 p 8 PY]

FISHING AGREEMENT WITH USSR EXTENDED BY 3 YEARS

PY031658 Lima Panamericana Telvision Network in Spanish 0315 GMT 3 Sep 86

[Text] Minister of Fisheries Ajvier Labarthe Correa has reported that the fishing agreement between Peru and the Soviet Union will be extended for another 3-year period. The minister explained that the previous agreement with the USSR will expire this coming Thursday, 4 September.

[Begin Labarthe recording] I sincerely want to say that despite all criticism, this is a very special agreement, because Peru does not (?lose) anything, and the Soviets must fish outside the 200-mile limit. That is to say, they are fully complying with international law, and they are legally authorized to fish without need of any agreement. They could have reached an agreement with any other country for repairs and supply of their ships. Thus, we have nothing to lose from this agreement.

Of course, if fishing activities are carried out very near the 200-mile limit -- and if these activities reach important levels -- then the situation would be different. For this reason, we are now demanding full details, because if fishing activities exceed certain levels they could endanger the maritime species. If this were the case, we would have to sever the agreement. But there are no grounds for any severance yet. We will receive information and everything will be well established as to where they will be fishing. Now -- from the moment they enter the port of Callao until the time they leave port -- if they put down their net to catch some fish, we cannot say that [words indistinct] [end recording].

POLICE RAID LIMA SHANTYTOWNS ARREST 300

PY292329 Paris AFP in Spanish 1858 GMT 29 Aug 86

[Text] Lima, 29 Aug (AFP) -- Peruvian authorities reported today in Lima that 300 people were arrested in an operation by the forces of order in the Huaycan and Horacio Zevallos shantytowns, 17 km southeast of Lima, to dismantle terrorist cells allegedly promoting subversive escalation.

According to police sources, the raid was ordered because of the appearance of many subversive pamphlets that called on the people of the area -- about 5,000 -- to join the Guerrilla People's Army, and praised the armed struggle against the regime. The police raid was carried out yesterday and 300 people were arrested because they either lacked identification or were suspected of being members of terrorist cells.

Meanwhile, a guerrilla column dynamited the Nuevo Dorado mine in Santiago de Chuco, La Libertad Province, causing serious damage. The police reported that subversive groups reappeared in this province 4 days ago killing seven persons, among them a mother and her three children. Fifty antisubversive policemen were sent yesterday from Cusco to the high regions of Canas Province, where subversive groups that incite peasants to join the armed struggle have appeared, according to Cusco Prefect Julio Jara.

Peruvian Cardinal Juan Landazuri said yesterday the state of emergency in Lima and 23 provinces throughout the country should be lifted. He said there must be freedom during the campaign for the next municipal elections scheduled for November.

SEPULVEDA INTERVIEWED ON FOREIGN POLICY

PA021951 Mexico City XEW Television Network in Spanish 1619 GMT 1 Sep 86

[Interview given by Foreign Secretary Bernardo Sepulveda at the Congress in Mexico City; reporter not identified -- live]

[Text] [Reporter] Mr Foreign Secretary, how would you characterize our foreign policy at this time?

[Sepulveda] In my view, this past year has been especially rich in international activities. There was the Ixtapa meeting in August which gathered together six heads of state and government. They issued a very clear and precise statement in favor of peace and disarmament. There were also the meetings that President De la Madrid held with President Reagan in January in Mexicali and in August in Washington. Very favorable results were also obtained from those meetings. Overall, not only this year's events but those throughout the past 4 years of government represent a reaffirmation of the our sovereign, independent, and autonomous foreign policy.

[Reporter] Regarding the Ixtapa meeting, did it bring about some concrete results?

[Sepulveda] Well, I think that there are important results which concern the so-called moratorium on nuclear tests. On one hand, the Soviet Government announced that it will extend its nuclear test moratorium, and on the other, the U.S. Congress has adopted a resolution imposing limits on nuclear tests. We believe this is a significant advance, an effort in the right direction by the Group of Six.

[Reporter] Turning to another topic, would you discuss the Contadora situation? Many things are being said about Contadora.

[Sepulveda] Well, Contadora has been an extraordinary effort to bring peace and security to Central America. I would stress the essential political work which the Contadora Group has conducted, and the way it was able to present to the five Central American countries a draft treaty on peace and security to bring a system of cooperation to the Central American region. The fundamental responsibility now lies with the Central American government themselves; in other words, they are the ones that must decide what type of region they want, whether they want a region with peace and security, or if they want to be involved in a conflict that will have very grave consequences for them and for the countries near the region.

[Reporter] Sir, did relations with the United States suffer following the case of the man, the alleged customs agent, who, as you know, was arrrested after being caught with weapons in his car -- which apparently had false license plates -- and who was being aided by some wanted criminals? Has this harmed our relations? On Friday, THE WASHINTON POST carried an item on this stating that certain things are not clear.

[Sepulveda] We must learn to establish a definition as to what a political relationship is -- like the one practiced by President De la Madrid in his ties with the United States, with the U.S. Government, and with President Reagan, as exemplified in the meeting the two held on 13 August. Not only does President De la Madrid possess unquestionable political and diplomatic competence, but a genuine capacity for political interlocution with the U.S. Government. Traditionally, we Mexicans have skillfully, intelligently, and imaginatively demonstrated that we have real competence to establish a political dialogue with the United States.

There is an aspect that deals with police matters. Unfortunately, incidents arise and there are times when these incidents are condemnable. Because these are circumstantial and accidental matters, they can tarnish the overall, political relationship we have with the U.S. Government. This relationship should be based on a system of cooperation and mutual respect.

[Reporter] Will the understanding in U.S. - Mexico relations continue?

[Sepulveda] The political understanding and the capacity for political dialogue will continue.

FINANCE SECRETARY COMMENTS ON FOREIGN DEBT

FL012353 Mexico City NOTIMEX in Spanish 2032 GMT 1 Sep 86

[Excerpts] Mexico City, 1 Sep (NOTIMEX) -- Finance and Public Credit Secretary Gustavo Petricioli today rejected the possibility that Mexico would declare a foreign debt moratorium, and stressed that a program of restructuring and efficiency in production is needed, because we cannot have a country with a spendthrift population.

In an interview at the Palace of the Legislature where the President made his report, Petricioli said that a moratorium is not under consideration as an adequate measure, inasmuch as it will not remove the debt and would be an obstacle in obtaining additional resources. he said that with the credits being received from abroad, the country can grow, because that foreign currency will not be used to pay out but to continue on the road to recovery. [passage omitted]

Petricioli mentioned that in 1987 the economic growth that had been anticipated will be attained, a growth which stopped because of the earthquakes and oil crisis. Mexico will have to make an effort and reorganize to be able to once again use its full capabilities. [passage omitted]

Petricioli denied the existence of pressures on the part of the IMF with respect to Mexico's economic policy. He said the government's program had been submitted to the consideration of international organizations and had been approved, but there was no pressure. They could have approved it or rejected it, but it was approved. [passage omitted]

WORLD BANK OFFICIAL TO PROVIDE MORE FINANCING

PA291645 Mexico City XEW Television Network in Spanish 1300 GMT 29 Aug 86

[Text] Ernest Stern, executive vice president [title as heard] of the World Bank, has met in Mexico City with Mexican Finance Secretary Gustavo Petricioli. The Finance and Public Credit Secretariat reported that Mr Stern came to Mexico to work on operational aspects leading to the release of fresh and additional World Bank resources for the country. The World Bank pledged approximately $2 billion in credit in 1986, as part of a large package of support for the Mexican Government's economic policy.

The Finance Secretariat noted that the additional World Bank funds will expedite the process of institutional changes and make easier the readaptation of the productive sector. The investment programs that the World Bank will support strive to promote employment and the creation of new jobs.

ARGENTINA TO PROVIDE FINANCIAL ASSISTANCE

FL290225 Mexico City NOTIMEX in Spanish 2345 GMT 29 Aug 86

[Excerpt] Buenos Aires, 28 Aug (NOTIMEX) -- Economic Ministry officials said today that the Argentine Government is expressing its economic solidarity with Mexico by contributing to a bridge loan (puente credito) which will provide the government with $1.6 billion.

The resources will support Mexico during the difficult situation created by falling oil prices and will be distributed by the U.S. Government, West European central banks, and four Latin American countries.

Argentina will support the multilateral financial operation with $60 million. [passage omitted]

ISRAEL DENIES REDUCTION OF OIL SALES

FL290215 Mexico City NOTIMEX in Spanish 2310 GMT 28 Aug 86

[Excerpts] Mexico City, 28 Aug (NOTIMEX) -- Israel will continue purchasing 60,000 barrels a day of Mexican oil at least until January 1987 at which time the 1985 bilateral agreement will be reviewed.

Pemex and the Israeli embassy in Mexico City denied any possibility of reducing the purchase-sale of oil. Pemex spokesmen confirmed that there is a 60,000 barrel-a-day export agreement with Israel and added it is Mexico's second [largest] client. [passage omitted]

For his part, Israel (Mey Amit), embassy spokesman, said he has not received any notice from Jerusalem about reduced oil purchases. He said the two countries are interested in increasing reciprocal imports and exports and the purchase-sale of oil will remain unchanged, at least until the agreement is reviewed.

PRESIDENT DELVALLE ADDRESSES LEGISLATIVE ASSEMBLY

PA021550 Panama City Domestic Service in Spanish 1800 GMT 1 Sep 86

[Speech by President Eric Arturo Delvalle opening current session of Legislative Assembly; at Justo Arosemena Legislative Palace in Panama City -- live]

[Text] Honorable Legislator Ovidio Diaz, president of the Legislative Assembly; Honorable Magistrate Marisol Reyes de Vasquez, chief justice of the Supreme Court, and other members of the Supreme Court; Honorable Magistrate Yolanda Pulice de Rodriguez, president of the Electoral Tribunal, and other members of the Electoral Tribunal; your excellencies, Messrs ministers of state and deputy ministers; honorable legislators; Your Reverend Excellency Msgr Jose Sebastian Laboa, papal nuncio and dean of the diplomatic corps accredited in Panama; your excellencies, Messrs ambassadors; Messrs directors of international organizations accredited before our government; Your Excellency Eng Francisco Rodriguez, comptroller general of the republic; Honorable Olmedo Sanjur, attorney general; Colonel Bernardo Barrera [G-2 of the Defense Forces General Staff] and members of the General Staff of the Defense Forces; Messrs directors of decentralized institutions; Your Reverend Excellency Msgr Marcos Gregorio McGrath, archbishop of Panama; Messrs representatives of the political parties; special guests; ladies and gentlemen, fellow countrymen:

I am very pleased to address this honorable Legislative Assembly on the beginning of a new period of sessions to report to you on the most relevant actions we have carried out since I gave my report before this august chamber on 1 March and on the problems and tasks we have ahead of us and which we must face with energy and responsibility. At that time, the republic was facing, with grave concern, serious economic, social, and political problems.

Later, events having international implications unexpectedly took place that complicated the government's actions in the search for solutions. Fortunately, united and with the strength of our convictions, we carefully analyzed the obstacles and overcame them with prudence, speed, and firmness.

In the first place, I want to stress the evident harmonious cooperation that has prevailed between the executive and legislative branches, as established by the Constitution, for the passage of several laws that will contribute to the country's development. These include the Judicial Code, the Law of Incentives for the Manufacturing Industry, the Law Promoting Agricultural Activity, the law that promotes employment and productivity, and the law establishing new incentives for the construction industry. These laws which I signed were approved by this legislature with a deep sense of patriotism and responsibility.

Second, in the economic area, we faced with courage and determination the fiscal crisis that existed, among other reasons, as a result of the effects of the national and international recession; and we soon achieved positive results.

I must state with great satisfaction that the duly balanced general state budget which you approved is being implemented with rectitude and efficiency.

In view of an improvement in the economic situation, current state revenues have slightly surpassed the estimates. This has permitted us to opportunely meet our international financial commitments. We are also making an effort to liquidate our internal commitments as soon as possible.

In the face of the reality we must confront, we soon plan to begin talks on renegotiating our foreign debt unitl 1990 under the most favorable terms for the nation. I am aware that it is essential to find formulas to increase the public investment program so that a greater number of social needs can be resolved, our infrastructure improved, and adequate solutions to the many demands of our growing population can be found.

Within the same field of the economic problems, we have established some order in public administration with programs to rationalize expenses, increase productivity, and liquidate some state enterprises that were too onerous a burden for taxpayers.

If there is something that has characterized my government, jointly with you honorable legislators, it is the energetic, sensible, responsible, and purely nationalist attitude it has maintained when carrying out essential actions to bring about fiscal reorganization and an adequate financing of our public debt.

There are some who try to confuse the citizens with false assertions that we are acting as a result of the impositions of international credit organizations. I will never accept any measures that harm the country's interests. I will never yield to the internal pressures of those who want to place themselves above the best interests of the homeland. I will never, hear this well, I will never permit the sale of such enterprises as the IRHE [Institute of Hydraulic Resources and Electrification], INTEL [National Institute of Telecommunications], the Lottery, and the IDAAN [National Water and Sanitation Institute]. [applause] I will never permit the sale of such enterprises. They provide public utility and social benefit services to the community. I will never tolerate the sullying, in any sense, of the dignity of the nation.

Although the government institutions have worked, with a high sense of duty under our guidance to achieve greater efficiency and to provide the best possible service to which all citizens have a right, we have just signed a decree ordering the planning and implementation of a general plan to modernize and simplify public administration. It will establish a program of guidelines, objectives, and actions for the country's development. We are aware that this decision means introducing a series of administrative, legal, and organizational innovations directly aimed at making the economy stronger and more dynamic.

I take this opportunity to issue a call to the public employees to think about their responsibility as servants of the community and about the dignity, honesty, and diligence that they should maintain in doing their job. It is time that the public identifies the public employee as an ally in the solution of its needs and that the state employee recognize that a citizen is a person whom he is proud to serve. We admit there is still much to do, but generally we should feel pleased because awareness is being created about the need for improvement. [applause]

One of the state institutions under the executive branch that I must mention especially is the Defense Forces -- particularly their commander in chief, who has been the target of groundless attacks by some minority sectors that have found echoes and complicity in foreign groups that have traditionally been enemies of our homeland. We have emphatically stated and we reiterate at this time our rejection of that anitnational campaign and we concurrently reaffirm our full confidence in the Defense Forces and request that they continue their patriotic mission of becoming more professional and preparing to defend our territorial integrity, our democratic system, our sovereignty, our Canal, and the life, honor, and property of all our compatriots. [applause]

That defamatory campaign found its answer and was confronted with the truth when it became evident that its real objective was to attack the Torrijos-Carter treaties and question our ability to operate the Canal efficiently. [applause] Of course we can run it; of course we can do it. The people recently showed their massive and definite support for our stand during a historic rally that was both great and enthusiastic. That was the people's definite answer to the attempts to weaken our capabilities to act as a free and sovereign country. [applause]

Although the recent past and current moments are important -- and that is why I have referred to the most significant things that we have jointly carried out to date -- what we do tomorrow will have special historic significance because it will represent the heritage that we bequeath to future generations. That responsibility with the future commits us toward exerting the greatest efforts and redoubling our determination to serve jointly the nation's high interests. [applause]

Our flag flies atop the hill of [Panamanian poet] Amelia Denis de Icaza, our Ancon hill, as a vivid reminder of the generations-long effort we are going to continue with special patriotic spirit so that the letter and spirit of the Torrijos-Carter treaties will be totally fulfilled.

The republic has an inexorable right in the year 2000, and all the people will demand their faithful fulfillment. No one and nothing will prevent us from achieving the destiny that, because of the designs of nature, is ours. [applause]

The task that requires our immediate attention and energetic and resolute action is the utilization, in the most advisable manner, of the areas and installations that have reverted and that gradually will continue reverting to our country. For this purpose, in the next few days, I will issue the appropriate measures to appoint a group of distinguished citizens to plan and implement the following measures:

1. They will draft a law creating an agency that will deal with everything concerning the plan for land use of the Canal area and the hydrographic basin. The law will fill the existing legal vacuums so we can use beneficially, in a regulated manner, the areas and installations that have been or will be incorporated into the national jurisdiction.

2. They will study and implement the strategy to achieve the modification or repeal of the opprobrious Law 96-70. [applause]

The executive branch will opportunely send this honorable Legislative Assembly for its consideration bills on these important topics as well as others that in our view, are fundamental for the country's economic, social, and cultural development.

With the same energy, we must continue to prepare, in the best possible way, to guarantee to all the countries of the world the normal and efficient operation of our canal.

That will constitute the most emphatic refutation of those who use against us the lie that we are incapable of taking care of that great work of engineering and of operating it with the same or better efficiency that it is operating now. In view of this responsibility to international shipping, we must face this challenge, acting with faith and devotion to fulfill our mission.

In the economic field, we must redouble our efforts to successfully continue the country's economic reactivation, cornerstone of all the programs we have to carry out to effectively open the way to the nation's integral development.

My government will continue its efforts to offer all facilities and necessary mechanisms to achieve a sustained economic growth in the country which will permit us to fulfill our obligations and at the same time to make public investments to imporve the standard of living of all Panamanians. [applause]

An important part of the instruments needed to firmly promote the growth of our economy is the establishment and development of the port center which will bring about an inflow of wealth from our trade relations with the rest of the world.

I plan to give the highest priority to that project, the realization of which is essential for the nation.

We must also strengthen our banking center and expand its financial scope with the creation of an international stock exchange. We must take utmost advantage of the rapid exchange of international finances, something that has incalculable possiblities due to the progress in computer science. We must offer local and foreign investors and businessmen and all the financial transactions that can be carried out in a large-scale banking center as the one we already have.

This week we will present for the consideration of this honorable legislature a bill that regulates and modernizes the activity of the country's financial enterprises.

To protect the seriousness of our banking community, I have issued instructions for the drafting of a law which, without affecting the basic principles of social, political, and economic coexistence in our community and maintaining the stability of the financial center, will remove the cancer of drugs from our borders.

I am dutybound to make known to my fellow countrymen that the Social Security Fund -- one of the most respected and revered insitutuions because of its role as protector of its members -- is experiencing a slow but continuous decapitalization, according to the actuarial analyses that have been carried out for several years. This is worsened by the loss of the resources from the second portion of the 13th-month bonus which represents the sum of 40 million balboas a year. One must also state that this situation is not due to the fact that the government pays the Social Security Fund the employer's share of the public sector's contribution with state bonds. They constitute only part of the institution's reserves and those bonds produce, in cash, interest that is higher than that which it could obtain in the stock market. In this regard, I also want to state that the government has totally settled the payments it had pending with the Social Security Fund in both interest and capital.

The Social Security Fund's situation cannot be exclusively blamed on the collective housing program, although we admit that it has meant a loss for the institution.

Despite those unfavorable circumstances, in a difficult act but one filled with great justice, the pensions of the insured were increased to partially compensate for the increase in the cost of living and to make more pleasant and bearable the life of the senior citizens.

I must state with equal sincerity that in light of what I previously mentioned it is essential that we jointly adopt the corrective measures to guarantee the economic solvency of the Social Security Fund so it can continue to fulfill its obligations with regard to retirees, widows' pensions, the disabled, minors who are beneficiaries, employment disabilities, and the programs of medicine, maternity, and illnesses.

Although it is true we have made significant progress in the social field, we have yet to adequately resolve the housing shortage. Without wanting to delve into its main causes, I have decided to carry out a massive program of construction of low-income housing, a problem the private sector has been unable to totally resolve.

As president, I have the aspiration that every Panamanian will have clean, comfortable, and decent housing. I plan to immediately begin a war against the subhuman living conditions, and I will begin by building the housing facilities that are necessary to once and for all demolish all of the condemned houses in Panama City and Colon which are a disgraceful monument that brings us shame. [applause]

To resolve that problem the state will spare none of its resources, including its patrimony, such as the lands of the nation on which to build the homes clamored for by thousands of humble Panamanians.

Now, I wish to refer to our determination to strengthen Panama's international presence, in keeping with the authentic image of our country and its vocation as an independent and sovereign nation, ready to strive for harmony and peace, and to maintain the relations of friendship, so long as these are based on mutual respect. To this effect, I want to acknowledge that this honorable chamber has contributed positively to the consideration and approval of important international agreements that strengthen cooperation and fraternity with many friendly nations.

Today marks the 25th anniversary of the founding of the Nonaligned Movement, of which Panama is an active member. I avail myself of the majesty of this tribunal to extend a special greeting of sympathy and solidarity to all the member-countries of this group, which contributed so much to the success of the cause of revindication of our sovereignty, which culminated with the signing of the Torrijos-Carter treaties and thereby the elimination of the colonial enclave which existed in our country. [applause]

I want to advise the honorable legislators that in the eighth Nonaligned Summit which opens today in Zimbabwe, Vice President Esquivel will offer an exposition on the nation's demands in view of our nonconformity and disagreement with the unilateral interpretations and violations of the new Panama Canal Treaties, with the assurance that that very important forum, which will be attened by state leaders of 100 countries, will generate extraordinary support for our efforts to have the United States rectify such actions and immediately undertake the revision of law 96-70 to eliminate its contradictions with those treaties and its conditions of injustice toward Panama.

I reiterate our steadfast position to continue to make efforts at all appropriate forums to demand the correct and faithful execution of the Torrijos-Carter Treaties. This profound and broadly shared feeling of all the Panamanians was shown recently. With this same strength, determination, energy, and patriotism, I will personally voice our people's stand before the United Nations, the highest internatonal tribunal. [applause]

It is necessary to maintain and strengthen -- at all costs -- the democratization of the country, a process that has been sponsored by the Defense Forces. This process began with the amendments to the national Constitution that were made with the participation of representatives from various political sectors.

A democratic system of government is, for historical reasons and firm conviction, the political government system preferred by Panamanians. We, both rulers and the governed people, must continue striving with all efforts necessary to consolidate the system, regardless of our political differences.

However, as we do this, we must not confuse democracy with weakness, or liberty with libertinism. If democracy entails political and civil liberty, weakness entails disorder and abuse to the detriment of the essence of democracy.

If liberty is a situation of law that is restricted only by what is ordered in a legally established juridical disposition, then libertinism is a disavowal of that order and the predominance of anarchy and privilege over the respect that should prevail for the benefit of all.

Justo Arosemena, whose good memory shelters this Legislative Assembly, said: In politics, liberty is the security one has to exercise those powers against all excessive restrictions. Therefore, liberty and security do not entail any antagonisms. These ideas complement each other.

We reiterate our commitment to improve and uphold this democracy that can only survive if all powers and institutions of the state, as well as all citizens, understand and enjoy the liberties that democracy has to offer but, at the same time, observe and respect the restrictions democracy establishes to protect the sacred rights of others.

I will always insist on the advantages of dialogue and agreements, on the civic value of constructive criticism and an opposition that is loyal to the fatherland, on a respect for the opinion of others, but also on accepting the decision of the majority after a broad, frank, and free debate.

Today, I am pleased to announce that the efforts we have made so far in various fields have not been in vain, as those who place their personal ambitions over the well-being of the Republic and its citizens have tried to show.

Most of the economic indexes show that there is a true and significant improvement in the first 6 months of 1986 as compared to the first 6 months of the previous year. The increase during the first 6 months of 1986 of Canal tolls, of port activities, of the Colon Free Zone trade, of exports in general, of fiscal revenue, bank deposits, and local credits that have been granted, as well as the increase in the gross national product and a decrease in the inflation rate, are clear and irrefutable evidence that we are again undergoing a process of growth and reactivation, following a period of stagnation.

If all Panamanians become aware and make use of the opportunities that come up instead of continuing on the futile path of nonconformity, this process of growth and reactivation will become more dynamic and, consequently, entail more benefits for the citizens.

Honorable legislators, we must be very much aware of the fact that the responsibility to contribute to the reconstruction of the Republic does not belong only to just a few citizens. This is a task that concerns all of us. Those of us who are governing and those who are the governed ones, workers and entrepeneurs, farmers and cattle ranchers, industrialists and businessmen, are all strongly united by a superior will to once again place the country along the path of prosperity and well-being that it deserves.

Those who shy away from that responsibility and those who only do it half way are not aware of the damage they are doing to the nation. If they are aware, they are completely ignorant of the virtues of noble men, above and beyond petty politics and personal ambitions.

The country does not belong exclusively to any sector, but to all of us who live here. It belongs to those of us who are governing and those who, in a responsible manner, make use of the democratic right to criticize us. It belongs to the foreign nationals who live with us and to the temporary visitors who come to our beaches to share with us the beauty, atmosphere of peace, and installations of these beaches. Above all, it belongs to the Panamanian who dearly loves his fatherland and seeks to preserve a free and peaceful society, where rights are respected and duties are fulfilled in a serious manner.

The concept of the Panamanian fatherland must be greater than the extension of its territory or the perimeter of its borders. We have a special dimension as a nation due to our privileged geographic position that makes us the crossroads of the world.

Let us make of our land what is expected from it: a bastion of peace, progress, and freedom for the benefit of the Panamanians and an example to all nations of the universe. Thank you. [applause]

COSTA RICA

EDEN PASTORA REPORTEDLY ARRESTED NEAR NICARAGUA

PA031515 Panama City ACAN in Spanish 1501 GMT 3 Sep 86

[Text] San Jose, 3 sep (ACAN-EFE) -- It has been officially reported that former anti-Sandinist leader Eden Pastora Gomez was arrested this morning in Costa Rican territory near the border with Nicaragua.

Security Minister Hernan Garron Salazar told ACAN-EFE that Commander "Zero" was arrested by the authoritis when it was learned that he was in Barra del Colorado with the intention of resuming armed actions against the Managua government.

Pastora Denies Arrest

PA031800 Panama City ACAN in Spanish 1708 GMT 3 Sep 86

[Text] San Jose, 3 Sep (ACAN-EFE) -- Eden Pastora, the former anti-Sandinist leader, is not under arrest but is at home with his family. At 1700 Pastora briefly appeared before reporters and was saddened by the "deception" of Security Minister Hernan Garron, who announced Pastora's arrest in Barra del Colorado, in the northern part of the country near the Nicaraguan border.

Security Minister Comments

PA031914 Paris AFP in Spanish 1814 GMT 3 Sep 86

[Excerpts] San Jose, 3 Sep (AFP) -- Today, Hernan Garron, Costa Rican public security minister, described the false report on Eden Pastora's arrest in the area of Barra del Colorado, on the country's Atlantic coast, as a "tremendous error" by his subordinates.

The former Nicaraguan guerrilla leader said he regretted the Costa Rican Government had been "caught unawares" by such a report. Pastora said that he did not understand how Security Minister Hernan Garron "had been deceived" by a report that at present has no explanation.

Garron apologized to the press and to Pastora personally, for "having disseminated the false report" about Pastora's arrest, and admitted that he did not have a logical explanation for the incident.

Minister Garron promised to make a detailed investigation of the case. He ordered the immediate "arrest" of Commander Alvarado, the chief of the civilian guard post in Barra del Colorado. According to Garron, Alvarado reported Pastora's arrest to the high command simply because he had arrested a group of eight men, among whom was someone "who physically resembled" the former guerilla leader. [passage omitted]

NICARAGUAN MINISTER REQUESTS REFUGEE FACILITIES

PA031700 San Jose Radio Rejoj in Spanish 1200 GMT 2 Sep 86

[Text] The Sandinist government is requesting facilities for the return of refugees. The Sandinist Government of Nicaragua, through Deputy Foreign Minister Jose Leon Talavera, has requested that facilities be given to those refugees wishing to return to their country. The deputy foregin minister visited the country this past weekend.

Deputy Foreign Minister Carlos Rivera stated that his Nicaraguan counterpart had expressed concern at the vigilance at the border region in view of the $100 million in aid that will be given by the U.S. Government to the rebel groups. However, the Costa Rican official noted that the views of his Sandinist colleague were informal and that no document to that effect has been presented.

Deputy Foreign Minister Carlos Rivera said that he told Minister Leon Talavera, in response to the latter's request that facilities be given to refugees, that all refugees are free to return to their country whenever they want. Although attention to the refugees represents a serious problem for the country, nobody is held against their wish in the refugee centers. However, if they do not want to leave national territory, they will not be forced to do so, Minister Rivera explained.

The Costa Rican Foreign Ministry explained that the request voiced by the Sandinist deputy foreign minister was heeded, despite the fact that his visit was private and personal.

Costa Rica will maintain its position regarding the suit in The Hague. Regarding the suit filed by the Sandinist government against our country at the International Court of Justice at The Hague, Deputy Foreign Minister Carlos Rivera Bianchini said that he explained the justification that he considered the Nicaraguan Government had to present. To that effect, Deputy Foreign Minister Jose Leon Talavera was told that Costa Rica will maintain its steadfast position to defend our country from the charges made against it.

Rivera Bianchini also believes that the initiative of the Sandinist deputy foreign minister, requesting the audience that he had last Friday, was directed at breaking the ice that has surrounded the relations between the two countries.

ARIAS COMMENTS ON FMLN/FDR - SALVADOR MEETING

PA030223 Hamburg DPA in Spanish 2154 GMT 2 Sep 86

[Text] San Jose, 2 Sep (DPA) -- The Costa Rican Government will do its utmost to facilitate the meeting of the Salvadoran rebels and government delegates in San Jose. It has unofficially been reported that the meeting will be held next Sunday. The delegates of the two sides will meet in Costa Rica to conclude the details of the meeting to be held in Sesori on 29 [as received] September, which will be attended by President Jose Napoleon Duarte and top leaders of the guerrilla organization.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto said today: "The two groups will officially meet here. All efforts will be made so that the meeting can succeed."

President Oscar Arias was "pleased that Costa Rica will be a bridge for peace talks in El Salvador."

Delegates of the two groups met in Mexico City from 22 to 24 August. It has been reported that the two main topics to be discussed during the meeting in Costa Rica will be security at Sesori and how the delegates will reach the meeting place.

EL SALVADOR

FMLN-FDR SAYS NO AGREEMENT ON PLACE FOR MEETING

PA030401 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 2 Sep 86

[Report by Oscar Venancio Remirez]

[Text] The rebel fronts stated today that there is still no definite agreement as to the place where the second round of private talks prior to the third dialogue for peace will be held. They said, however, that an agreement was reached as to the exact date for the meeting.

In a communique sent to the YSKL news center, they said that in Mexico they had agreed to hold the second preparatory meeting in the first half of September. By common agreement, however, they decided to keep the exact date a secret.

They added that no definite agreement was reached about the place where the second preparatory meeting would be held. The FMLN-FDR demanded that the meeting be held in San Salvador. However, in view of the government's refusal, they studied the possibility of holding the talks outside the country, but both parties would have to check with the government of those countries first.

3. [as heard] It was agreed in Mexico that, after reaching a definite agreement as to the place, the parties, as well as the mediator, would keep it a secret in order to contribute to the right climate for the second preparatory meeting.

They said that on Wednesday, 3 September, in Panama City they will deliver to Msgr Rivera y Damas, upon his return from Colombia, their proposed site of the second preparatory meeting. In addition they reiterated willingness to hold the second preparatory meeting on the date agreed and said they are certain that an agreement will be reached in the next few days on the site of the second preparatory meeting.

HONDURAS

TIEMPO SAYS NATION OPPOSES CONTRA CAUSE

PA281637 San Pedro Sula TIEMPO in Spanish 27 Aug 86 p 6

[Editorial: "A Firm Military Attitude and Public Opinion"]

[Text] After Congress approved the $100 million in military support for the "contras" -- who are settled mainly in Honduras and secondly in Costa Rica -- high-ranking U.S. officials visited Tegucigalpa to meet with several Honduran Government officials to discuss the matter.

We know that the allocation of the $100 million approved by Congress means very little to the United States -- and that, on the other hand, the available money will quadruple or quintuple that sum, which will be handled by the CIA. The main thing is that the Reagan administration succeeded in legitimizing its interventionist, aggressive policy in Central America when it obtained the support of Democrats and Republicans in the House of Representatives and Senate.

Under those circumstances, the first problem faced by the Reagan administration -- particularly by Elliot Abrams, assistant secretary of state for inter-American affairs and "strong man" for Central America, who is now responsible for leading the war against Nicaragua -- is the presentation of effective results, because now Congress is no longer presenting any opposition, or excuses; it gave all, and a little more, of what was asked of it.

In the effort to attain the planned goals -- the overthrow of the Sandinist regime -- there is a generalized opinion about the "contra" movement: Despite the large financial support grante -- the beginning of which undoubtedly can be predicted, and whose end can never be foretold -- except for the moral, political, material, and human damage that it will inevitably produce and of which we already have memories.

Similarly, the Honduran people's position regarding the "contra" movement is perfectly clear. We say that the same thing is being felt inside the Honduran Armed Forces, which were deeply shocked by the attack on Assistant Deputy Rodolfo Zelaya, alias (Noche Clara): an absolute, total, and definitive rejection of the "contra" presence in our country.

So, when Messrs Elliott Abrams; Armitage, a military planning specialist as well as assistant secretary of defense; Nestor Sanchez, a deputy assistant secretary at the Defense Department; and William Walker, an assistant of Assistant Secretary Abrams, all visit the Honduran capital, and then Walker returns and the representatives of the Nicaraguan Democratic Force ("contras") -- Calero, Robelo, and Cruz -- also visit Tegucigalpa, no one doubts what this means or how important these developments are.

However, all those events are taking place in an atmosphere that is increasingly clear regarding the national attitude about Honduras' participation in a war escalation against Nicaragua.

In the last few days, General Humberto Regalado Hernandez, the chief of the Honduran Armed Forces, has been insisting that Honduras is determined to forbid the use of its territory for the military training of "contras" or for "contra" supply activities.

Regalado Hernandez said, as has the Salvadoran Government, that Honduras will not accept "green berets" training the "contra" army in this country. This firm stance, if true, will be determined by the attitude of our people and the internal situation of the Honduran Armed Forces.

HUMAN RIGHTS COMMITTEE COMMUNIQUE ON 'DEATH SQUAD'

PA040013 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 2 Sep 86

[Communique issued by Honduran Human Rights Committee CODEH in Tegucigalpa on 1 Sep]

[Text] CODEH considers it an obligation to make this report based on the following events and circumstances:

1. Precedents: Since his position as FUSEP (Public Security Forces) commander and then as Honduran Armed Forces commander in chief, former General Gustavo Alvarez Martinez organized under his direct command the special investigation services or Battalion 350, then under the command of Police Captain Alexander Hernandez. Later, another military man took charge when Alexander Hernandez was promoted to police major by the National Congress in December 1982 and was named military attache to the Honduran Embassy in Argentina, despite our report on his responsibility for missing people and the murders of peoples' leaders. He remained there until the government of Raul Alfonsin declared him persona non grata at the end of 1984, at which time he was named deputy director of the National Police Academy, ANAPOO. The special Armed Forces commission that investigated the disappearances and other human rights violations did not find anyone among its ranks guilty, as per the report submitted to former President Dr Roberto Suazo Cordova. Honduran justice declared several officers accused of murder, disappearances, tortures, and other violations innocent in a trial that we have found to be full of irregularities and procedural errors.

Now it appears that Alexander Hernandez handed over (Eduardo Lanche) and Feliz Martinez to the Nicaraguan counterrevolutionaries, who later killed them. This is what (Linda Brocker) reports in her recent reportage "The History of a Contra."

Since May police and other military officials and civilian authorities have conducted a campaign to report on the uncontrolled increase in crime. Soon after that an announcement appeared on a death squad that was formed to execute repeat criminals. This squad killed at least five of those criminals, who had previously been in DIN [Department of National Investigation] cells. A lot has been said regarding subversive criminals to get the Honduran people to accept their execution, presenting them as the result of alleged political differences, as happened with the murder of Cristobal Paz Alfaro.

2. Recently we received a list of those sentenced to death, despite the constitutional right to life, in defense of national sovereignty, territorial authority, respect for human rights, and the right of the Honduran people to self-determination and peace. They are: Lautama Fonseca, Pedro Brizuela, Longino Becerra, Virgilio Carias, Albertino Reina, Carlos Roberto Reina, Adela Acosta, Victor Meza, Juan Almendares Bonilla, Cristobal Flores, Modesto Rueda Faska, Ada Joaquina Rueda Faska, Isaura Rueda Faska, Carlos Orbin Montoya, two students from the Secondary Student Federation [FESE], and a student from Francisco Morazan High School. As their deaths will be the making of the death squads, we hereby call the attention of the president, of the presidents of the National Congress and the Supreme Court of Justice, and the military High Command, calling for them to guarantee the lives of all the Hondurans mentioned on the list, holding them responsible from this moment on any attack against them.

CODEH also calls for the Honduran people's good sense and condemnation of murders committed and to be committed by any means they can and demands the punishment of those guilty.

Let us fight for peace, human rights, and justice.

[Signed] Ramon Custodio Lopez, president of CODEH

Tegucigalpa, 1 September 1986

DEFENSE MINISTRY REPORTS CONTRA CASUALTIES

PA031710 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 2 Sep 86

[Text] Defense Ministry sources have reported to the Sandinist newscast that mercenary forces sustained more than 200 casualties, including more than 167 deaths, in fighting that occurred 19-31 August, principally in Zelaya Department. The harsh blows dealt to the countrerevolutionaries were the result of more than 20 skirmishes during the latter half of the month. Some of the fiercest fighting occurred on 24 August when more than 21 mercenaries were eliminated in the sector of El Toro, north of (La Pinuela), and in the vicinity of Nueva Guinea. In those skirmishes government forces recovered two AK rifles, three G-3 rifles, radios, antitank mines, and M-79 grenades.

Another important skirmish occurred in (Caraola), 25 km southeast of San Pedro del Norte, where 15 mercenaries were killed and 3 captured. Yesterday, in the area of (Tisaura), southeast of Bocana de Paiwas, 14 counterrevolutionaries were eliminated and a wounded woman captured. In this incident the EPS forces seized three FAL rifles, two folding AK rifles, two AK-47's, three G-3 rifles, one M-79 grenade launcher, and communications equipment.

NICARAGUA

UNO CHARGES SANDINIST USE OF CHEMICAL WEAPONS

PA030335 Panama City ACAN in Spanish 2218 GMT 2 Sep 86

[Text] San Jose, 2 Sep (ACAN-EFE) -- The Nicaraguan Opposition Unity [UNO] today reported that it had inflicted 42 casualties on the EPS during August in the southern region of Nicaragua. According to a "war bulletin" issued by the "contras" who are fighting in the southern area of that neighbor country, the clashes, led by Fernando ("El Negro") Chamorro, took place in Zelaya and Chontales Departments.

The bulletin, released in San Jose, states that UNO forces suffered seven casualties during the clashes. It did not specify the number of dead and wounded within the EPS or its own ranks. According to the report, during the clashes the anti-Sandinists also "recovered" six Soviet made "AK-47" rifles, ammunition, boots, three fragmentation grenades, and military blankets.

The UNO, financed by the United States, also charged that the Sandinist forces used chemical weapons, which have been banned by international conventions, in areas of Nueva Guinea and Chontales. The use of chemical weapons resulted in blindness and loss of hair for a civilian and a combatant.

CASTRO ADDRESSES NONALIGNED SUMMIT IN ZIMBABWE

FL031456 Havana Television Service in Spanish 0100 GMT 3 Sep 86

[Speech by President Fidel Castro at plenary session of Eighth Nonaligned Summit in Harare, Zimbabwe, on 2 September -- recorded]

[Text] Comrade Mugabe: My speech is not too long, but unfortunately I have not been able to cut it back as you had so wisely asked everybody to do. [laughter in audience] Thus, I have nothing to do but to remember to do that at the next summit, and ask all others to please excuse me. [applause]

Esteemed Chairman Robert Mugabe, distinguished chiefs of state or government, Messrs members of delegations, distinguished guests: Just 7 years ago, when we held our summit in Havana, we had the honor of greeting you as a full member of the Nonaligned Movement, the heroic liberation movement of Zimbabwe, which had not yet attained independence. Today, the eighth summit of Harare, being held in the youngest sovereign state in Africa, advanced trench of the continent in the struggle against racism and apartheid, is a symbol of the strength of our movement and the unstopable march of the peoples toward independence.

When Zimbabwe was elected as the movement's forum for the eighth summit, we also elected the person who would guide the movement during this new period of time, the national hero who led the struggle of his people for liberation, Robert Mugabe. Allow me, esteemed Comrade Mugabe, in the name of Cuba, to associate myself with the atmosphere of respect and sympathy that this meeting affords us all. We are sure that under your sober and experienced direction, the nonaligned countries movement will adopt very important decisions in this summit and will make firm progress toward the future.

At this time I also wish to honor the memory of a great lady who is no longer among us, the unforgettable Indira Gandhi. She led us with wisdom and dignity during the major part of India's mandate. Her atrocious assassination moved us all. We will always remember her with profound respect and gratitude. In paying tribute to her, I must stress what the serene and intelligent leadership of India's Prime Minister Rajiv Gandhi has meant to the movement. He knew how to guarantee the movement's independence and maintain our unity during difficult times. Under his sound leadership, we have advanced with success toward this summit.

Our world is facing two mortal and unprecedented dilemmas, peace or total self-destruction, a just international economic order or the most frightening destiny for the immense majority of the peoples on earth, who are represented in this forum, even if there were peace. The Third World countries will have to share the worst of the two dilemmas. We can be swept away from the face of earth in a war for which we will have the least responsibility and in which we will not have any participation. We could be crushed by hunger and poverty for the sake of a world economic order which was not created by us, and which emerged and developed in spite of us and against us.

Many years ago I said at the United Nations: Let the philosophy of looting end and the philosophy of war will cease. The conquering and colonization carried out in past centuries at the expense of the peoples of America, Africa, and Asia by a handful of European superpowers which violated, killed, assassinated in mass, uprooted from their lands millions of persons to enslave them, extracted all the gold and silver possible from the bowels of our soil, and processed innumerable tons of sugar, coffee, cacao, tea, cotton, and other wealth from the sweat of the slaves for the enjoyment of colonial societies were inspired in that philosophy of looting, plundering, and exploitation of other peoples. In that manner emerged capitalism, dripping blood from every pore, and later on imperialism and neocolonialism emerged. This does not have to be studied in any book on Marxism because it has been written with indelible prints on the flesh of all our peoples. What is underdevelopment if not a direct result of that historic plundering? From the philosophy of looting, from the old system of distribution, and the new attempts to distribute the world among imperialist superpowers resulted two world wars which cost humankind rivers of blood. On that same philosophy imperialism today inspires itself by unleashing the greatest arms race ever recorded by history.

The developed capitalist powers are not satisfied with our loss of natural resources, primary resources, markets, and inexpensive handiwork. They sell their products at a higher price each time and pay miserable prices for our products. They do not reject the practice of systematic stripping [despojo] of our economies. They are not satisfied with the existance of new forms of production and distribution of social riches which are not their old and rotten capitalism. Finally, they are not satisfied with the true national independence of the old colonies and the peoples' liberation movement. In essence, therein lies the cause of the enormous accumulation of nuclear arsenals, strategic rockets, long-range bombers, gigantic aircraft carriers, battleships, submarines, rapid-strike forces, and imperialist military bases everywhere. Therein lies the cause of the excessive enthusiasm for using weapons in space, and one day man will not be able to see the scars without his vision being shadowed by the idea of the deadly arsenal of nuclear weapons, lasers, particle beams [haces de particulas], and similar artifacts revolving all around him. No country will feel secure. Those weapons in the sky have no purpose other than to take possession of the goods of man on earth.

Also because of this, they categorically deny recognizing the rights of the sea elaboratored and agreed upon by the majority of the international community. They want all the ocean waters for themselves and all the minerals within reach of their sophisticated technologies.

No one should find it unusual to call a spade a spade. If the United States attains military supremacy in the world, to which it outrageously aspires, everyone here knows that their oil, iron, cooper, chrome, bauxite, rubber, lead, zinc, and other natural resources and raw materials would again be divided among the capitalist superpowers to satisfy their insatiable desire for consumption, while we would not have a single weapon with which to defend ourselves. This did occur at the beginning of the oil crisis simply because a new correlation of forces developed in the world when socialism emerged and more than 100 countries freed themselves from the colonialist yoke.

Cuba, member of the Nonaligned Movement and one of its founders, is proud of its condition as a socialist country. Essentially, socialism is foreign to war [el socialismo por esencia es ajeno a la guerra] and to the exploitation of the sweat and natural resources of other peoples. Socialism does not need foreign investments, or bases abroad, or military bases beyond its borders, or distribution of the world. It does not need to produce arms to step up the economy and enrich monopolies. It knows perfectly well that resources can be and should be invested in factories, hospitals, schools, housing, centers of recreation and culture, and other more noble projects.

The heaviest burden imposed by imperialism on socialism is arms expenditures. Our country, just a few miles from the United States, knows this perfectly well. In this supreme and decisive hour for all peoples, it is imperialism, and not socialism, which refuses to end nuclear arms tests and which rejects the only coherent, logical, and acceptable policy for humankind. Ceasing the arms race, prohibiting chemical arms and other means of mass destruction, significantly reducing the number of conventional weapons, and initiating a program for the total elimination of nuclear arms in the shortest time possible are the most heartfelt aspirations of not only the men building socialism, but of all responsible and sensible persons on earth.

The nightmare burdening the entire human race should cease. It is not possible to talk about security for anybody in a world whose extermination is a real possibility any time of day or night. If humankind should play any role in the events determining its own existence, then it, through the international community and including the peoples of the imperialist countries themselves, will make these objectives prevail.

Peace is one of our movement's most sacred duties. No one is exempt from such an obligation. In the recent meeting held in Mexico by a group of six eminent international personalities, they said the struggle for peace is a task not only of the great superpowers, but of all nations in the world. Humanity could and should be able to impose peace. The Nonaligned Movement, with its immense prestige and political might, could and should make a decisive contribution in that direction.

The other moral dilemma overwhelming us -- the economic problem -- is also threatening our survival but, in this case, all the Third World countries are almost exclusive victims. That is why we not only need peace, but also the resources used in war and for the destruction of man should be invested in the economic and social development of the world, first of all, in countries historically looted, yesterday's colonies, today's new colonies. However, military expenses which surpassed $650 billion at the time of the 1983 New Delhi summit in 1985 amounted to the fabulous amount of $850 billion, despite the fact that today's nuclear arsenal is equal to nearly 16 billion tons of TNT. After World War II, in almost 40 years, $17 trillion has been spent on military expenditures. This amount is many times greater than would have been required to bring all the Third World countries together out of underdevelopment.

Today there would be no hungry people, no undernourished, no illiterates, no sick people, no unemployed, of the hundreds and thousands of millions of persons on our planet. Today our countries would not have a gigantic foreign debt of almost $1 trillion which, even though overwhelmingly high, represents only 5.8 percent of postwar arms expenditures.

As I said after the sixth summit before the United Nations, one noise made by weapons, threatening language, and arrogance in the international scene should end. Enough is enough concerning the illusion that world problems can be solved with nuclear arms. Bombs might kill the hungry, the sick, the ignorant, but they cannot end hunger, diseases, ignorance. They cannot end the just rebelliousness of the peoples; and, in the holocaust, the rich will also die. They are the ones who can be hurt the most in this world.

There can be no development if there is no peace, and there can be no peace if there is no development for the immense majority of the peoples on the earth. However, the reality is that we are being exploited increasingly more mercilessly. What we import from the developed capitalist world, whether a truck, a tractor, a locomotive, an industrial component, a factory, medicine, medical equipment, a small spare part, whatever, is increasingly costly. What we export is paid for at lower and lower prices. Excluding oil, the privilege of a very few countries which also have difficulties today, we have to deliver three times, four, and even six times more sugar, tea, coffee, cacao, henequen, copra, iron, bauxite, copper, et cetera for the same product we were importing 30 years ago.

Today there is more unequal trade, protectionism, dumping [word rendered in English], unfair competition, control of the markets by the transnationals, higher interest rates, capital flight toward the great U.S. and European financial centers, and more manipulation of international finances by the imperialist superpowers than ever before in history. The price we pay as neocolonies is much higher than even the one we were paying when we were colonies. I do not want to burden you with statistics, but I ask that you allow me to cite some of then to illustrate this tragic situation:

The foreign debt, which in 1977 amounted to $373 billion, in 1985, only 8 years later, amounted to nearly three times that figure, $950 billion. Between 1981 and 1985, the Third World countries paid more than $300 billion in interest and $526 billion for total debt service. In 1985 Africa spent 30 percent of its export income on debt servicing, and Latin America spent 44 percent. Between 1980 and 1985, the Third World countries lost $104 billion because of the terms of unfavorable trade, and $120 billion because of excesses in interest rates.

The drop in prices of basic products forced those countries, in 1985, to deliver 25 percent more goods than what was supplied in 1980 to obtain the same amount of imports. In 1979, 40.2 percent of the international financial flow was directed toward the Third World countries, but in 1985 they only received 10.3 percent. The United States, the richest and most developed country in the world, which in 1980 received 6.1 percent of that flow, in 1985, received 24.2 percent. The amounts lost because of capital flight, chronic inflation, high interest rates offered by U.S. banks, and lack of stability in the countries are incalculable. The money for the colossal U.S. rearmament, "star wars," the gigantic budgetary deficits, enormous trade imbalances, the aggressive policies, and other stupidities had to come from somewhere.

The IMF, the financial gendarme of imperialism, categorically demands Third World countries to terminate fiscal deficits and trade imbalances, reduce education and health expenditures, eliminate state investments, depreciate the currency, raise prices of consumer goods and services, suspend restrictions to free importation, in other words to burden the people, already impoverished and weakened, with the weight of the debt and crisis. However, in Washington, just a few blocks from the IMF headquarters, is the White House, the residence of the U.S. Government, which has provoked one most fabulous fiscal and commercial deficits in the history of the world.

The IMF has never sent a single expert there to demand the end of the fiscal deficit, trade imbalance, protectionism, dumping, high interest rates, manipulation of the dollar, and other infamous and fateful practices for world economy. The IMF does not send experts to countries of the European Economic Community which flood the world with subsidized agricultural products in unfair competition with Third World countries with a selfishness that borders on insanity.

The United States is rearming with the world's money, and the IMF remains silent. The United States lives and spends far more than its own production at the expense of the world economy, and the IMF remains silent. That is the economic order that has been imposed on us.

With the aid of mathematics, we have examined all variants that have been suggested to solve the debt problem, with current interest rates or lower interest rates, with new credits or without new credits, with payment limits tied to exports or without limits, with moratorium or without moratorium, and even in the case of a supposed sustained development at a fast pace, practically a utopia. The result of all examinations is that the debt, like an enormous and monstrous cancer whose malignant cells multiply at an accelerated rate, tends to reproduce and grow infinitely.

We decided to estimate how much time a man would need to count the Latin American foreign debt at the rate of a dollar per second. The result was more than 12,000 years. Today there is a fashionable and worrisome disease called acquired immunodeficiency syndrome. Well, the Third World foreign debt is the AIDS of the world economy.

Based on mathematic calculations and sober reflections on the problem, we reached the conclusion that the Third World countries' foreign debt is unpayable and uncollectible. It constitutes, for those countries, a political, economic, and moral impossibility. Our countries are not debtors but creditors. Capitalism and its development was financed with the blood, sweat, and wealth of the colonies in Asia, Africa, and Latin America. With the trade imbalance, they have stolen much more from us than the total amount of the debt. Protectionism and dumping are blocking our exports and bankrupting our peoples. A large part of the money lent to us fled back to the Western financial centers without providing any type of progress for our peoples.

The high interest rates multiply our already burdensome load. The debt must be erased. The governments of creditor countries should make themselves responsible for the debt with their own banks, and there would be no need for new taxes or sacrifices for the depositers or contributors of those countries. Less than 15 percent annually of the present military expenditures suffices to retire, in a not very long time, that debt. The world economy could only come out of the crisis with the abolition of the debt and the New International Economic Order, which has already been approved by the United Nations but never implemented.

By annually raising by hundreds of thousands of millions of dollars the purchasing power of the Third World, international trade would multiply, the industries of the developed capitalist countries themselves would be in full production, and would help them to mitigate their worse tragedy, chronic and growing unemployment. To demonstrate that the resources are there, suffice it to say that in 1986 the developed capitalist countries will save no less than $120 billion with the reduction of oil prices.

That amount would be sufficient to service the Third World countries' foreign debt this year. The less than one-third of one annual expenditures wasted in the military sphere would be sufficient to abolish the debt and face up to the cost of the New International Economic Order. For that reason, peace, disarmament, elimination of the foreign debt, and the New International Economic Order are inseparable.

If the statesmen of developed capitalist countries are incapable of seeing this, they would be acknowledging the anachronism, selfishness, and all the irrationality contained in their won economic and social system as well as their total incompetence in contributing to the solution of the problems of today's world.

We cannot sit back and do nothing. We must demand solutions, because we have the right to survive the dangers threatening us, and to live with dignity and peace. Jose Marti, the Cuban national hero, said something which could become this meeting's slogan: Rights are seized, they are not asked for; they are snatched, they are not begged for.

We represent the immense majority of humankind and should not beg for our right to life. We must be capable of snatching them.

Distinguished chiefs of state and government: The young states and national liberation movements attend these summits with the hope that their just causes will be defended. Very few times have so many expectations been brought to the attention of our meeting. From our continent have come representatives of El Salvador's FMLN, Guatemala's National Revolutionary Union, the courageous and militant people of President Allende. In El Salvador there have been more than 50,000 dead, victims of a ferocious repression. Guatemala, a country where there have been no cases of political prisoners, has reported 80,000 disappeared during the military regimes that followed the overthrow of the Arbenz government by the CIA in 1954. In Chile there have been thousands of murdered persons, disappeared, a people brutally repressed but willing to triumph over fascism. In Grenada, a country invaded to crush a revolution that had already liquidated itself; in Puerto Rico, a piece of Latin America colonized and occupied; in Paraguay, a fascist dictatorship which has already lasted more than 30 years.

Those are some examples of the fruit of U.S. meddling in our mistreated continent. In Latin America, wherever a genocide and corrupt government emerges, was the presence and support of the United States. Wherever there is a social reform, wherever the peoples want to be truly free, hostility, blockade, and aggression by the United States are always present.

Cuba, where a piece of its soil is still occupied by the United States and where it has endured thus far more than 25 years of brutal economic blockade, is an exceptional witness to this reality. Nicaragua, however, is the most recent and eloquent example of this brutal policy of the empire. It suffered almost 50 years of Somozist tyranny, a fruit of yankee military intervention. They had one closest and fullest support of the United States. The new Nicaragua, a fruit of its children's heroism, is enduring a dirty and blodfaced war of aggression. Its economy has been blockaded, its ports are mined. Thousands of mercenaries in the service of a foreign superpower invade its soil from Honduras, which has been transformed into a sanctuary for the counterrevolution, a foreign military base, and the U.S. Government's stepping-stone for attacking a brother nation. The dirty U.S. war has cost Nicaragua tens of thousands of lives and billions of dollars.

Latin America's efforts to attain peace in Central America through the Contadora group have dashed against the U.S. aim of mercilessly destroying the Sandinist revolution and liquidating the liberation movement in Central America. Openly and shamelessly as a slap in the face of the peoples of Latin America and the rest of the world, the U.S. Government recently adopted a budget of $100 million to continue its bloody adventure against Nicaragua, tramping on the verdict of the Hague international tribunal which categorically condemned such U.S. actions. But everything will be useless; there will never be a force capable of crushing the indomitable spirit and heroism of the Nicaraguan people, even if the tragic lesson of Vietnam has to be repeated there.

Nicaragua has offered its hospitable and heroic soil as the seat of the ninth summit. Supporting it would be a gesture of solidarity. Today Nicaragua is not only a symbol of the struggle for independence of a Central American country, it is also a symbol of the struggle for independence of the peoples of an entire continent, a symbol of the right of any Third World country to own its own destiny.

The British occupation of the Malvinas, territory of the Republic of Argentina, constitutes an affront to the American peoples. Latin American blood was shed there in a struggle against a NATO superpower which, as expected, had the support of the United States. Let no one be confused over the Malvinas: No nation has emerged there, as is the case of Guyana and Belize. There is no community there that longs for independence or autonomy. A handful of British people live there, people who feel British and who want to continue being British. It is a colonial enclave, a foreign possession, an occupied territory that must be returned to Argentina.

The Peruvian people have been victims of arbitrary IMF measures and are worthy of our most determined support. Panama expects our continuing support so that the Canal agreements are respected. Bolivia demands and deserves support in its just aspiration to an exit to the sea through territory that used to belong to it.

The Latin American peoples, in their yearning for freedom, in their just causes, expect the support and solidarity of the Nonaligned Movement.

In the Middle East and North Africa, Cuba has supported, is supporting, and will always support the just cause of the Arab peoples, victims of the imperialist and Zionist aggression. It firmly supports the OET [no further expansion] and makes the noble cause of the Palestinian people and their right to independence to their own motherland and national state. Ignorance of their rights cannot go on forever and peace will never be achieved in the Middle East so long as such monstruous injustices still remain.

We should support the sovereignty, unity, and peace of the courageous Lebanese people, Cyprus' integrity, and the selfless and admirable struggle of the Western Sahara people for their unquestionable and undeniable right to national independence. It is difficult to explain why the Saharan Democratic Arab Republic has not yet been incorporated into our movement. This country's people are fighting against the most modern weapons being supplied by Yankee imperialism to the foreigners occupying its territory.

The Arab nation of Libya recently was subject to a Nazi-type, treacherous and criminal lashing of ice people by the United States. We have witnessed how the U.S. Government is capable of using its most sophisticated arms to attempt to assassinate a chief of state and all his family. Our movment should energetically condemn such terrorist and infamous practices.

The war between Iraq and Iran, two member states of our movement, should never have begun. Unfortunately, all efforts aimed at finding a solution to this difficult and complex conflict have been futile. We should not stop our effort to attain peace there because of it, however, but should repair as much as possible the damage and wounds caused by that fraticidal conflict.

We wish to express our determined support for an all-out effort to find a politically negotiated solution to the problem of Afghanistan, based on the strictest respect for the country's sovereignty. Likewise, we support with all our strength the DPRK in its just and sacred struggle for the peaceful reunification of the country, artifically divided and partly occupied by the United States. We have said very clearly that the next Olympic Games should be shared by North and South Korea. Should it not be done this way, our country will not participate in that event, irresponsibly conceived to accredit one of the most repressive and discredited regimes in the world, totally ignoring the DPRK. Solidarity with that brother country in such legitimate aspiration should be made known.

Likewise, we join the just demand for an Indian Ocean free of foreign naval bases and nuclear arms.

I have left for the end of my speech, the issue of southern Africa.

We find ourselves here, not too many miles away from the sinister system of apartheid. On the other side of the border with Zimbabwe, toward the south, more than 25 million persons, the immense majority of the country's population, live deprived of the most essential conditions of human beings. From there comes news every day of atrocious murders perpetrated against the people.

More than 4 decades since the defeat of fascism and its racist theories, at a cost of the lives of more than 40 million persons, and on the threshold of the 21st century, a state is segregating its citizens and bases, its policies on racial discrimation. Added to that, racism is one most ferocious economic exploitation of the oppressed, discriminated against, and segregated masses. Apartheid is the direct result of the colonial system, of the brutal form with which the African peoples were forcefully deprived of their lands and natural resources, and their children enslaved and sold around the world.

Apartheid has been able to remain in power only because of the support given to it by the United States and NATO countries, which see in South Africa' a strategic ally, a source of raw materials, a market for their investments and juicy profits of the transnationals at the cost of the sweat and blood of millions of Africans. The U.S. Administration categorically refuses to accept economic sanctions against South Africa and systematically vetoes all agreements of the UN Security Council which would affect the Pretoria regime, while it increasingly blockades with greater rage small progressive or revolutionary countries such as Cuba, Nicaragua, Vietnam, Libya, and the DPRK.

Stimulated by the support offered by the U.S. Government's constructive engagement policy, South Africa not only challenges the entire world with continuing and hardening apartheid, but also maintains the occupation of Namibia and checks the independence of that colonized country in open disrespect for all UN resolutions and agreements. South Africa is organizing mercenary bands to destabilize the United States [as heard] and is carrying out surprise and treacherous attacks against Lesotho, Botswana, Zimbabwe, Zambia, and Angola. By continuously supporting subversive groups, South Africa has not complied with the Komati agreement it has with Mozambique.

The United States is using these subversive, destabilizing plans and introducing in Africa the ill-fated methods practiced in Latin America by openly and shamelessly aiding the UNITA [National Union for the Total Independence of Angola] bands in Angola. UNITA has a long history of cooperation with colonialists and imperialists. it was created by the Portuguese political police during the Angolan war of independence to sabotage the patriotic forces. South Africa tried to destroy Angolan independence and dismember the country in 1975 with UNITA cooperation. During the past 10 years, South Africa has used UNITA as an instrument in its dirty war against Angola.

When we were children, they told us in school that two things -- as well as a third -- were equal. Upon hoisting the same flag used by the UNITA bands and giving them common support, the U.S. and South African Governments express their similarity in ideas and proposals and they are on an equal level. What differences can there be between the Washington and Pretoria policies?

The U.S. Government considers the Palestinians -- evicted from the lands they occupied for thousands of years -- the admirable Saharan combatants, the brave ANC [African National Congress] fighters, the SWAPO [South-West African People's Organization] patriots, and the heroic Salvadoran and Chilean revolutionaries to be terrorists worthy of extermination. However, the UNITA bandits have destroyed entire villages of defenseless civilians without distinguishing among women, men, and children.

The mercenary Somozist bands, who serve a foreign power, are rogues who oppose any kind of peoples' and progressive process, but the imperialist government considers them to be distinguished patriots and strugglers for independence, worthy of U.S. aid. Is this or is this not facism? Is this or is this not racism? Is this or is this not cyncism?

Our solidarity with the African liberation movement and its heroic confrontations with imperialism, apartheid, and racism is not soley verbal. In the struggles against Portuguese colonialism, Cuban revolutionaries fought together with Amilcar Cabral and Agostinho Neto in Guinea-Bissau and Angola. Some of them gave their lives to that noble cause. When South Africa invaded Angola in 1975, occupying more than half of its territory, and despite the fact that an ocean separates Cuba from Angola, Cuban internationalist combatants along with their heroic Angolan brothers struggled against racist troops and drove them more than 800 km to the Namibian border, demonstrating to the world that South African soldiers, like Hitler's, are far from invincible. Despite the enormous effort this implies for our small country, a contingent exceeding tens of thousands of Cuban internationalist combatants have kept guard for 10 years along with the glorious Angolan Armed Forces to prevent the 1975 event from being repeated.

Our cooperation with Africa is not just military. More than 15,000 African youth study in our country without cost to them. Thousands of Cuban doctors, teachers, technicians, and workers give their services freely in this continent. More than 250,000 of our compatriots have completed missions in Africa as combatants or civilian collaborators.

This expression of solidarity, which is totally disinterested, disturbs the dreams of the Yankee imperialists and South African racists. They cannot conceive that countries that were conquered, colonized, and enslaved yesterday could today give such cooperation and raise a powerful barrier against aggression. The Yankee imperialists as well as the South African racists are doing everything possible so that Cuban Internationalist troops are withdrawn from Angola, making this a requirement for Namibian independence.

The Cuban and Angolan Governments have responded in joint agreement: Apply UN Resolution 435 on Namibia; cease the threats of aggression against Angola; cease the dirty war and support of the mercenary bands and the gradual and progressive withdrawal of 20,000 Cuban combatants who hold strategic lines in southern Angola will follow. The rest of the Cubar military personnel will be withdrawn only when the sovereign Governments of Angola and Cuba decide it is convenient and unconditional.

The real key to the matter is that, so long as apartheid exists in South Africa, so long as that country is governed by a racist and fascist government, there will be no security for Angola or any other country in southern Africa, and Namibia's independence will be nothing but a fiction. That is why I can state categorically that the presence of Cuban troops in Angola is based on principles; it is not motivated by any type of Cuba's national interest or prestige. When apartheid ceases to exist, when the fascist and racist regime of South Africa ceases to exist, no country will feel threatened.

Namibia will immediately be independent. Then there will be no need for a single Cuban soldier and the immediate and total withdrawal of Cuban troops from Angola will take place. Of course, Angola, whose sovereignty we respect and will always respect with absolute loyalty, can decide at any time if it needs our military personnel there. What I have expressed is simply our decision to maintain the troops in Angola so long as apartheid exists in South Africa. [applause]

I am sure that our summit, as an essential part of its contribution to the struggle for peace, development, justice, and our world's security, will give all its endorsement and immense political and moral support to the oppressed peoples of South Africa and Namibia, and its decisive contribution to the final battle against apartheid will be recorded by history. This monstrous regime cannot be reformed; it must be destroyed. Today it finds itself in insurmountable crisis. To the African National Congress and its selfless combatants and men and women of the heroic stock of Nelson and Winnie Mandela belong the glory of having inspired the unyielding struggle of the South African people and having demonstrated before the world that today, like yesterday, like tomorrow, and like always nothing will stop the march of history and no force in the world will be capable of chaining indefinitely human dignity and freedom. [applause] Thank you.

PRESIDENT SAYS OLYMPICS REQUIRES BOTH KOREAS

FL040032 Mexico City NOTIMEX in Spanish 2333 GMT 3 Sep 86

[Text] Harare, 3 Sep (ASIN-NOTIMEX) -- Cuban President Fidel Castro has said that his country will attend the upcoming Olympic Games only if they are shared by North and South Korea.

The Cuban leader noted that the olympics should be shared inasmuch as that event was irresponsibly organized to please one of the most repressive and unpopular regimes in the world. Castro added that the decision was made by completely ignoring the People's Democratic Republic of Korea and said solidarity with that country in its legitimate efforts should be made evident.

HAVANA COMMENTARY BACKS MANAGUA AS SUMMIT SITE

PA031310 Havana International Service in Spanish 2300 GMT 1 Sep 86

["Our America" commentary read by Norberto Hernandez]

[Text] The signs of solidarity and support Nicaragua has been receiving through its president, Daniel Ortega, who toured several African nations prior to his arrival in Zimbabwe, make one think of the possible failure of U.S. maneuvers to prevent Managua from becoming the site of the Ninth Nonaligned Summit.

Argentina and Peru, both members and possible candidates for hosting the 1989 meeting, have publicly stated that they will not block the Nicaraguan request because they feel Managua's nomination would greatly contribute to a political relief of the Central American crisis.

Nicaragua became a full member of the Nonaligned Movement in 1979, only a few months after the revolutionary triumph and during the Sixth Summit, which was held in Havana.

Nicaragua's presence in the movement gave renewed force to Latin American representation. Nicaragua's presence represented a people who had just been freed from a prolonged pro-North American tyranny and who had profound patriotic convictions as well as an excellent record in the service of the revolutionary cause. All this was in addition to a firm anti-imperialist and anticolonialist spirit, as well as love for peace and respect for the nonintervention principle.

The open U.S. aggression against Nicaragua, the growing U.S. presence in Central America, and Reagan's demented determination to put an end to the Sandinist process before he ends his second term have seriously complicated the problems of the region.

Central America is now one of the most critical and explosive areas on the planet and the Nonaligned Movement has ascertained this with particular concern.

In July 1983, at an emergency meeting, the Nonaligned Movement's Coordinating Bureau rejected both U.S. support for the armed counterrevolutionaries who have bases in Honduras and Costa Rica and Washington's efforts to foil the Contadora negotiations. In addition, the constant U.S. military exercises in Honduran territory were also condemned.

A year later, in March, the Nonaligned Movement condemned Washington's mining of Nicaraguan ports and the increasingly open White House sabotage of peace negotiations in the area. Last year, the Central American crisis was a reason for concern by more than 100 nonaligned nations. They were also concerned abut the intensification of U.S. maneuvers against the Contadora peace negotiations. Such maneuvers prompted the thwarting of efforts to sign a regional document, which was eventually only accepted by Managua, as a praiseworthy sign of its goodwill.

A declaration was approved in New Delhi from 16 to 19 April 1986, according to which the Nonaligned Movement clearly criticized the aggressive actions of the United States against the integrity and independence of Nicaragua.

In July, the Movement demanded that the United States abide by the ruling of the International Court of Justice which called for an end to U.S. aggressiveness against Nicaragua.

These actions show the constant concern of the Nonaligned Movement over a very explosive crisis. To allow Nicaragua to host the ninth summit would materialize the support given to the Sandinist revolution and would seriously contribute to finding political solutions in a region that many identify as a powder keg.

GRENADA

FORMER NNP MEMBER TO WORK WITH OPPOSITION

FL031846 Bridgetown CANA in English 1554 GMT 3 Sep 86

[Text] St Georges, Grenada, Sept. 3 CANA -- Phinsley St Louis, who quit the ruling New National Party (NNP) two weeks ago, has promised to work with other members of the opposition to evolve a common position on parliamentary issues.

St Louis, who served as deputy speaker of the House until his resignation, rejected charges from the NNP that he resigned because of dissatisfaction with his role in the party and government. ... I have never shown any desire of any ill-feeling as I have not been in a ministry, [said] St Louis, reacting to claims by NNP General Secretary Keith Mitchell that he quit because he disapproved of the level of esteem he enjoyed in the party.

St Louis said he would like to give up the position of Deputy Speaker to defend the democratic system more fully...from the floor of the House. But he said he would be careful in aligning himself with any other political party, even though he described his relations with other opposition members of the parliament as good.

I would hold discussions with them and, together, I hope we would be able to work to structure something so that when we go to parliament, we would be able to see things alike, St Louis added.

JAMAICA

MANLEY CHALLENGES SEAGA TO GENERAL ELECTIONS

FL021612 Bridgetown in English 1502 GMT 2 Sep 86

[Text] Kingston, Jamaica, Sept 2, CANA -- Opposition political leader Michael Manley has challenged Prime Minister Edward Seaga to test his government's popularity in a geneal election followng Seaga's attempt to downplay his party's defeat in July's municipal vote.

Seaga claimed that the ruling Jamaica Labour Party (JLP) lost recent municipal elections here only because thousands of JLP supporters declined to vote. Manley said in a statement that Seaga's assumption could be tested only by democratic elections. That test cannot be ignored because of assumptions, the People's National Party (PNP) leader said. It can only be passed or failed through a national examination by the people in the form of general elections.

In the local government elections, the PNP won 12 of the 13 municipal authorities, gaining 57 per cent of the popular vote on a 64 per cent voter-turn-out. But addressing a seminor here Friday of the Caribbean Democrat Union of which he is chairman, Seaga argued that the PNP's victory was not as significant as it appeared. The CDR is a grouping of rightist parties in the region.

According to Seaga, JLP supporters had stayed away from the polls to send the party a signal. Seaga said that in the July 29 vote the PNP hardly gained on the 350,000 votes it received in 1980 when the JLP was swept to power. The JLP total of 271,000 votes was well down on the 502,000 it gained in 1980. The 230,000 voters who this time did not cast their ballots for the JLP were sending their government a signal, said Seaga, who has recently relaxed unpopular austere economic policies. Communications is a two-way street, he said. In the process of dialogue, the people must be able to send their government a message and the government must respond. Seaga said he had asked his parliamentarians and party workers to do a survey of all constituencies and polling divisions to find out exactly why there was a low vote for the JLP. Seaga's claim that the PNP went all out in the election while his party did not put out much effort has also raised eyebrows here.

Analysts point out that Seaga and senior ministers, like top PNP officials, tramped the country during the campaign, bringing the atmosphere of a general election rather than a local government affair. They also pointed out that both parties spent heavily in media advertisement. Manley, in his statement, said he could understand Seaga making excuses for the defeat. If Mr Seaga's respect for democracy is not merely lip service, he must therefore obey the clear demand of the people and resign, Manley said.

SEAGA DEFIES IMF STRATEGIES FOR DEVELOPMENT

FL292354 Bridgetown CANA in English 2322 GMT 29 Aug 86

[Text] Kingston, Jamaica, Aug 29, CANA -- Prime Minister Edward Seaga today said Jamaica had deliberately run up its U.S. 70 million dollar payment arrears to the International Monetary Fund (IMF) as part of negotiating strategy for a new three-year agreement with the fund. Seaga, declaring that the fund had not had a single success story for its programmes, said that Jamaica has no intention of being added to the tombstone of IMF failures.

The prime minister's remarks to Life underwriters was the government's first response to news out of Washington this week of serious problems between the IMF and Jamaica over the arrears dating back to April. This week, opposition leader Michael Manley called for the resignation of the government.

Fund and U.S. multilateral agency officials were also concerned with Seaga's abandonment of his May budget of economic austerity measures. His move was in defense of a mission from the IMF, World Bank, and U.S. Agency for International Development (USAID) invited by Seaga to take a fresh look at the economy. Seaga was hoping that the mission would have agreed with the government's plan for expansion instead of the IMF's adjustments of tight demand management.

By its action, the Jamaica Government had in effect thrown out the U.S. 115 million dollar agreement signed in July last year with U.S. 73 million dollars still undrawn, bankers said. This held implications for Jamaica's relations with international creditors and plans to reschedule some of its U.S. 3.2 billion dollar foreign debt.

The prime minister said Jamaican officials had established that the missions report was riddled with errors of calculation and errors of assumptions. The end result is that today our discussions with the three agencies are based on a three-year programme prepared and submitted to them by the Government of Jamaica, and I go to Washington next week to conclude these discussions which have been going over the past several weeks, Seaga said. Let it be noted, he added, that the substantial accumulation of payment arrears built up the with IMF is a deliberate part of our strategy with the IMF.

Seaga said a single point separated the IMF and his government from reaching an agreement. Without being specific, he said it was a point, however, on which he would not compromise. ...(It is a point on) which the IMF cannot on any basis justify and therefore the government needs to be equalled though in maintaining our position. This I intend to be, the prime minister said. The difference is believed to revolve around Fund demands for a further devaluation of the local dollar and for more cuts in public sector jobs.

Over the past three years, Seaga has chopped over 10,000 public sector jobs and the Jamaica dollar has moved from a rate of J1.78 dollars to J5.50 dollars for one U.S. dollar. The government has been arguing that the economy needed no more radical adjustments, and Seaga pointed to government economic reports for the first half of this year to show the economy was ready for growth. The stock market was booming, inflation was on the decline, he said. The central bank has reported that for the first half of the year the economy recorded a balance of payments surplus of U.S. 117 million dollars compared with a deficit of U.S. 148.8 million in the first six months of 1985.

This performance reflects a turnaround of U.S. 160 million dollars in our balance of payments and an improvement in the net international reserves of U.S. 126.7 million dollars over the corresponding period last year, Seaga said. But there has also been a fall in export earnings in the first half of the year, a decline in the industrial index of output and the fact that the improved balance of payments owed much to a decline in oil prices and also a compression of overall imports.

I am not attempting to suggest that the performance of all relevant sectors of the economy was as yet at a satisfactory level..., he said. But the fact that this performance provides adequate testimony to the efficacy of the combination of monetary, fiscal, and exchange rate policies which have been employed in bringing the economy to the point at which it stands today.

On the evidence, Seaga argued, the economy was not on a path of growth, not austerity and the IMF is not going to be allowed to change that. He added: The IMF has a consistent list of failures to its credit. It has never had a single case of success, much because it does not know when to shift its strategies from the negative to the positive, as in this case.

Jamaica has no intention of being added to the tombstone of IMF failures.

TURKS AND CAICOS

CANA REPORTS ADVISORY PANEL APPOINTED

FL1031853 Bridgetown CANA in English 1651 GMT 3 Sept 86

[Text] Grand Turk, Turks and Caicos, Sept 3, CANA -- Opposition leader Clement Howell is among a four-member panel of advisers to Governor Christopher Turner appointed here in the wake of the assumption of direct rule by Britain.

Other members of the panel are Ariel Missick, a former government minister, Carlos Swan, a lawyer, and another former minister Emmanuel Missick.

The panel has very little power and their advice could be easily overruled by the governor.

Britain dismissed the colony's government in July charging malpractice and unconstitutional behaviour.

OFFICIALS REPORT INCREASE IN INVESTMENTS

FL032239 Bridgetown CANA in English 1946 GMT 3 Sep 86

[Excerpts] Grand Turk, Turks and Caicos Islands, Sept 3, CANA -- Turks and Caicos officials today reported an upsurge in investor interest in the British dependency, a month after the collapse of Chief Minister Nathaniel Francis government amid corruption charges.

Investors are getting the message that now is the best time to come over and the proposals are simply flowing, said Nigel Adams, staff officer at the governor's office.

In the past month, the interim administration headed by Governor Christopher Turner has signed agreements for a number of projects, including construction of a U.S. 10 million dollar Sheraton hotel, expected to start in October, a 25 million dollar marina and shipyard, and another 115 room hotel project. [passage omitted]

Meanwhile, politicians from Francis' former ruling Progressive National Party (PNP) and PDM have closed ranks and are demanding reactivation of the scrapped ministerial system of government.

The legislative council, lawmaking body for the colony, recently had its first sitting since the collapse of the government and officials cited in the report took part in the proceedings. Francis called for the report to be rediscussed. He also said the British Government had made an outrageous attack on his integrity and had taken downright advantage.

Skippings, the deputy PDM leader, said legal proceedings in the form of a court trial would have to be instituted for him to be banned from office. Government officials said a clarification of this issue is expected shortly, as well as the composition of the constitution review commission. [passage omitted]

BOUTERSE MISSES NONALIGNED SUMMIT DUE TO REBELS

FL031608 Bridgetown CANA in English 0912 GMT 3 Sep 86

[Text] Suriname's military leader Desi Bouterse has been forced to miss the non-aligned summit in Zimbabwe.

He has decided to stay at home in view of an insurgency by armed rebels in his South American country.

Foreign Minister Henk Herrenberg is representing Suriname at the six-day summit.

He is to ask Non-aligned leaders to condemn what he called Dutch support for the rebels, who began operating along Suriname's eastern border with French Guiana in July.

NETHERLANDS DENIES SUPPORTING TERRORISTS

FL292108 Paramaribo International Service in English 1730 GMT 29 Aug 86

[Text] The government of the Netherlands has categorically denied having anything to do with the (?actions) executed by the Brunswijk Gang last month. This denial follows [words indistinct] (?a demonstration) in paramaribo last Wednesday. The spokesman for the Dutch Government also said that there is no truth that Holland is hiring mercenaries.

Aid from Netherlands

FL301142 Bonaire Trans World Radio in English 1130 GMT 30 Aug 86

[Text] The Dutch Government is going ahead with plans to extend nearly half-a-million dollars in medical aid to Suriname with a possibility of another half million at a later date. The aid had been held up since the arrest of a Surinamese official in the United States charged with drug smuggling in South America.